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East Europe Report

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CONTENTS

AGRICULTURE

GERMAN DEMOCRATIC REPUBLIC

Computer Analysis, Weather Data Aid Selective Plant Breeding
(Arno Winkel Interview; NEUES DEUTSCHLAND, 4 Jul 86)..... 1

ECONOMY

GERMAN DEMOCRATIC REPUBLIC

Party Congress Announces New 5-Year Plan's Economic Strategy
(Kurt Erdmann; FS ANALYSEN, No 2, 1986)..... 5

Economists Discuss Intangible Foreign Trade, Licenses, Patents
(Karla Hahn/Birgit Heinze; WIRTSCHAFTSWISSENSCHAFT, No 3, Mar 86)..... 21

POLAND

New Reform Commission Task Force Discusses Inflation
(Krzysztof Bien; RZECZPOSPOLITA, No 78, 12 Jun 86)..... 30

Establishment of Small Innovative Enterprises Planned
(Irena Dryll; ZYCIE GOSPODARCZE, No 25, 22 Jun 86)..... 37

Economic Society President on Status of Reform
(Zdzislaw Sadowski Interview; ZYCIE GOSPODARCZE, No 26, 29 Jun 86)..... 45

POLITICS

INTERNATIONAL AFFAIRS

Yugoslav-Albanian Railroad Project Completed
(LE MONDE, 7, 8 Aug 86)..... 53

Hopes for Normalization of Relations, by Thomas Schreiber 53
Contacts of Rail Employees, Journalists Limited, by Paul Yankovitch 54

BULGARIA

Zhivkov, Guyana's Cheddi Jagan Hold Talks
(BTA, 25 Jul 86)..... 56

Zhivkov Receives Martinique CP Leader
(BTA, 28 Jul 86)..... 57

Uruguay's Iglesias Issues Press Statement, Departs
(BTA, 24 Jul 86)..... 58

Observer Views 'Positive' Result of Genscher's USSR Visit
(BTA, 23 Jul 86)..... 59

BTA Commentator on Gorbachev's Vladivostok Speech
(BTA, 29 Jul 86)..... 61

Syrian Mufti Praises 'Religious Freedoms'
(BTA, 24 Jul 86)..... 62

'No Complaints' From Bulgarian Imams 62
Mufti Received by Kubadinski 62

Briefs
Cooperation Protocal With Nigeria 63
Zhivkov Receives Finnish Envoy 63
Trade Union Delegation in China
Joint Soviet Trade Union Cooperation 64
Joint Soviet Engineering 64
BCP CC Delegation Returns From Spain 65
International Philosophy Conference 65
UNESCO Balkan Conference 65
Tanchev, Romanian Delegation 65
Yordanov, GDR Culture Officials 66
Joint Yugoslav Friendship Meetings 66
Bulgarian, French Veterans Talks 66
BCP Delegation in Portugal 66
Swiss Parliamentary Delegation 66
Guinea-Bissau Trade Union Leader 67
Afghanistan's Ambassador Decorated 67

Departing Mongolian Ambassador 67
Departing Netherlands Ambassador 67
Departing Lebanese Ambassador 68
New Ambassadors to Kuwait, Mongolia 68
Zhivkov Receives UK, Afghan Envoys 68
PCC Delegation at Varna Meeting 68
Filipov Receives Soviet TU Leader Shalayev 68
New Diplomatic Appointments 68
Angolan Energy Minister 69
Iraqi Foreign Minsiter Departs 69
Transport Minister Visits SFRY 69

GERMAN DEMOCRATIC REPUBLIC

First Inner-German Partner City Agreement Drafted
(FRANKFURTER ALLGEMEINE, 7, 12 Jul 86)..... 70

Background Sketch 70
Text Draft, Supporting Documents 70
FRG Editor Critique, by Peter Jochen Winters 75

HUNGARY

Book on Neutrality of Four European Countries Praised
(Andras Gyuris; KULPOLITIKA, No 2, 1986)..... 78

POLAND

Miodowicz Defends OPZZ's Performance
(Alfred Miodowicz Interview; ZYCIE WARSZAWY, 28-29 Jun 86)... 82

OPZZ Chairman Miodowicz Interviewed on Trade Union Tasks
(TRUD, 22 Jul 86)..... 86

Official Reconciles Universal, National Features of Socialism
(Adam Lopatka; PRAWO I ZYCIE, No 26, 28 Jun 86)..... 88

Sejm S&T Commission Views Tasks, Goals
(Zbigniew Puzewicz Interview; RZECZPOSPOLITA, 5-6 Jul 86).... 92

Congress Delegate Defends Worker Self-Management
(Kazimierz Gralak Interview; RZECZPOSPOLITA, 11 Jun 86)..... 95

Reader Assails 'Poland 2000' Fund
(TRYBUNA LUDU, 18 Jun 86)..... 97

SOCIOLOGY

POLAND

Academic Records Improve, Better 'Attitude' Observed
(Andrzej Skrzypczak; TRYBUNA LUDU, 14 Jul 86)..... 99

COMPUTER ANALYSIS,WEATHER DATA AID SELECTIVE PLANT BREEDING

East Berlin NEUES DEUTSCHLAND in German 4 Jul 86 p 3

[Interview with Prof Dr Arno Winkel, director, Institute for Plant Breeding Guelzow-Guestrow of the GDR Academy of Agricultural Sciences, delegate to the 11th SED Party Congressconducted by ND reporter Hans-Joerg Gloede, date and place not given]

[Text] ND: Since 1982 more than 10 million tons of grain are produced annually in the GDR. We know that last year it was possible to harvest 11.6 million tons, the biggest harvest so far. At an AGRA seminar, combine farmers, farm workers, functionaries of party and state pledged to stabilize and further improve these good results. What can you, as a breeder, say to this?

Prof Winkel: Like the collective farmers we are of course happy about the achievement, which was given proper credit at the 11th Party Congress and more recently by Erich Honecker during his visit to AGRA. Agriculture has increased its contribution to the national income with higher grain yields. Science has its share in this achievement.

Science in Combination with Farmers' Hard Work

It was possible to combine new scientific findings more closely with the proven experience of farmers, and to lower yield differences. Through more intensive research and breeding, new grain brands with far better qualities could be provided for agriculture. I want to mention the winter barley brand "Borwina", named after the founder of the city of Guestrow, which is characterized especially by its high yield potential, improved durability and better hibernation stamina. In only 3 years after being licensed, it has proven itself superbly as the top brand on more than one fifth of the total winter barley acreage. This is also a contribution of the joint research program of the RGW countries. In the CSSR winter barley acreage is increasingly planted with this brand. In Poland it is also expected to be licensed.

ND: The 11th SED Party Congress set the goal of an annual grain production of 12 million tons. Looking ahead to the year 2000, the 11th Party Congress

emphasized, agriculture must also increasingly be developed into a branch of applied science. What does this imply for the Guelzow grain breeders, and what can combine farmers count on in the coming years?

Prof Winkel: Like other scientific establishments, Guelzow too has developed in recent years a considerable scientific potential. The 330 workers at our institute consider it their primary task to achieve even better results by utilizing this potential.

Rye Has Considerable Potential

An exact analysis of grain yields in recent years shows that in spite of all the success, there is still potential whose utilization now becomes a challenge of primary importance. For winter rye, for example, the lowest yield potential among all grain brands was achieved in actual growing practice. But in growth volume, winter rye holds second place among all grain brands.

On our test acreages we achieved yields of 90 decatons per hectar under optimal institute conditions. This kind of yield cannot, of course, be achieved everywhere right away. But practice shows that rye has more potential than the average yield of 36.5 decatons in our country indicates. During highest yield experiments an average of 65 decatons per acre was achieved on a 30-hectar field at the LPG Juergenshagen, Buetzow County, and the LPG Selbelang, Nauen County, and Kalkhorst, Grevesmuehlen County, achieved similar yields. We look at these highest yield experiments as the final step in research and the first step in practice.

We must now expand the results of our work as fast as possible. At the same time we must look, first in our own work, for the causes of unjustifiable differentiations. Causes of unjustifiable yield differentiations are, among others, drying tolerance, the lack of durability, and insufficiently staggered times for maturation. Intensive work is done to overcome these deficiencies. Through hybrid breeding, i.e. cross breeding combinations of different brands, a decisive breakthrough will hopefully be achieved also for winter rye. The result should be yield increases of at least 10 percent and also improved disease resistance and baking quality.

As a result of the evaluation of the 11th SED Party Congress, our collectives have pledged to increase the supply of productive brands especially for the lighter soils in northern parts of the country. Among these brands is a species of winter rye with improved resistance qualities and higher energy concentration in the grain, and also winter wheat with earlier maturation time and greater utility qualities. License is about to be granted to triticale. This is a feed grain with a higher protein content than rye. It was bred from a combination of rye and wheat.

Accelerated Practical Application

ND: "Science plus farmer's experience equal highest yields," says a well-known and highly relevant formula. What direct effect to the scientists of the Institute have on practical work?

Prof Winkel: For years we have worked closely with many farmers' collectives and state-owned farms, especially in Schwerin Bezirk, such as the LPG Plate, Koechelsdorf and Veelboeken as well as the VEG Guestrow. In these places we have a direct influence on the development and realization of highest yield concepts, we support the work of collective farmers and farm workers on their highest yield acreages, and we apply within the shortest possible time the most recent findings of science to practice on test acreages.

We want to increase this cooperation to a considerable extent. For example: our researchers are working intensively on the perfection of quality raps production so that we can continue the trend reached in our country in the turning point year 1985. In this work we use the most modern technology. We have developed office computer programs that enable us for the first time to make computerized analyses of partial stock inventories.

This means that the computers provided more and more for the LPG can be used by collective farmers as "production consultants" that provide them, according to concrete situations, with important advice, from soil preparation and seeding to fertilization and harvest. We are currently preparing this kind of software and will make it available to the LPG within a short time. I also want to mention that we are especially familiar with focal consultation points, and that we share with all LPG experiences in increasing soil fertility, in the cultivation and care of planted acreage and in optimal harvesting processes.

ND: Years go by before a new brand is bred and a tested and licensed grain species is produced. Millions of data must be gathered and processed in order to arrive at new knowledge. Is it possible to accelerate these expensive research and transition processes?

Prof. Winkel: Yes. Research can and must be intensified to a considerable degree. In our greenhouses, e.g., two crops are grown annually and that has resulted in considerable advances for research work. We are now working on new selection methods that will accelerate and stabilize selection processes.

We pay special attention to increased utilization of microelectronics, including modern computer technology. The development of new measuring methods, the improvement of analysis technology, and automatic data processing with microcomputer combinations have automated our laboratories and thereby increased by 60 percent work productivity in conducting chemical analyses for grain breeding. Measuring accuracy was increased, research capacity was expanded, material and energy expenses were lowered. And not least of all, the proportion of monotonous work was considerably decreased.

Weather Station Connected to Computer

Research technologists are currently working on a method to determine external physical qualities for each monitor display. This will considerably shorten research time. In the past months the rationalization department of our institute produced an automated weather station that is connected to a

computer, and a mobile data gathering machine. A focal point of our research work is the further development of biotechnological processes including gene technology.

Here at Guelzow we work on concrete problems. We are trying, for example, to implant for the first time value-determining characteristics, such as resistance and quality, from rye into other grain species.

All of our work focuses on giving our best effort to implementing the economic strategies set forth at the 11th Party Congress, so that the planned production of 12 million tons of grain can be accomplished and stabilized, and thereby the accepted competitionpledges be fulfilled.

PHOTO CAPTIONS

1. p 3. Albumen-rich fodder grain is produced by crossing wheat (triticum) and rye (secale). In accordance with the rules of botany, the Latin names were combined to form the new name triticale.

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PARTY CONGRESS ANNOUNCES NEW 5-YEAR PLAN'S ECONOMIC STRATEGY

West Berlin FS ANALYSEN in German No 2, 1986 (signed to press mid-May 1986) pp 1-19

[Article by Kurt Erdmann with the (West) Berlin Research Institute for Inner-German Economic and Social Issues. Selected report dealing with the theme of Economic and Socio-Political Aspects of the 11th SED Party Congress. Original title: "Economic Strategy and the Economic System at the 11th SED Party Congress."]

[Text] 1. On the Preparations for the 11th SED Party Congress

The 11th SED Party Congress met on 17-21 April 1986 in East Berlin. SED party congresses (1) have always been subject to detailed management. Their organization includes a lengthy advance period, not only the actual event. In this connection I would mention a part of the traditional preparatory ritual in 1985,--an analysis by the SED CC secretariat on "important internal party events" (2)--that represents one of the preeminent measures related to the preparation of the 11th Party Congress. This analysis more or less directly addresses not only ideological uncertainties among SED members but also economic problems and functional weaknesses "in the management process." These suggest some interesting conclusions about unsatisfactory work ethic, work motivation and work discipline. None of these problems was really discussed at the party congress proper. We cannot be sure whether the subsequent special action involving a series of combine reports in various economic spheres, mainly industry but also construction and transportation, should be considered consequences of this analysis.

Shortly after the beginning of 1986, Carl Zeiss Jena, undisputedly the GDR's top combine (and undisputed not only by production propaganda), gave the starting signal by issuing a report reprinted on the front page of NEUES DEUTSCHLAND. (3)

The text supplied an account of plan targets and a voluntary obligation action in the socialist competition, primarily for the benefit of the party congress. It was couched in the form of a letter to "dear comrade Honecker." The letters are signed by the general director and, in some instances, enterprise directors also, usually by the SED CC party organizer and the chairman of the council of SED party secretaries, the chairman of the council

of FDJ secretaries and the senior labor union functionary and head of the collective of labor union chairmen in the combine. Disregarding this generally similar framework, the texts of the letters varied considerably. NEUES DEUTSCHLAND had published a total of 82 such "business reports" by April 1986 (4), the overwhelming majority of them originating with centrally managed industrial combines. When we classify the centrally managed combines in accordance with their respective industries, we get a quite remarkable result: Three industrial ministries (electrical engineering/electronics, machine tools and processing machines and chemicals), all considered pacemakers, were each represented by more than 80 percent (and even 90 percent) of their combines. All other industries lagged far behind, and their combines' involvement ranged from 63 percent (ore mining, metallurgy and potash) to 17 percent (district managed industry and food industry).

The various reports presented some selected economic data, usually percentage growth rates of recent years and the 1986 plan year and often summarized in a special table (such as commodity production, net production, net profits, exports, rationalization aid construction); they also cited various plans. Some note should be taken of the cited proportion of SED members in the labor force. On the average this amountsed to about 20 percent but there were quite substantial differences within the various industries.

Some spectacular rates of growth were recorded, specially for net profits, with regard to the 1984-1986 plan years or the 1981-1985 5-Year Plan period (top of the list: The Geological Research and Exploration Combine with an 849 percent increase in profits in 1981-1985) (5). The reasons differ among the various industrial combines. A good deal is due to price effects but also, lately, to newly decreed incentive measures such as price surcharges and extra profits. Detailed reports about special accounts relating to the conservation of raw materials, energy and imports from the West amounting to several thousand "valuta marks" underline their place value in enterprise efficiency calculations. We rarely encounter autocritical remarks, for example with regard to still unsatisfactory reductions of prime costs or failure to proceed with the internal construction of rationalization aids. The result for the GDR party and government leaders is the desired impression of a generally very successful SED "economic strategy" for the 1980's and also the confirmation of the success of the combine principle. A genuine appraisal of the earnings situation of the combines presented is usually impossible. Due to the lack of adequate data, it is very hard to study the further results of the economic units involved in this combine reporting.

Another element to be singled out in the preparatory stages of the SED party congress is to be found in various speeches by Gorbachev, the new CPSU general secretary. Against the background (from the standpoint of the SED) of a nicely working system of socialist planning in the GDR (6), these speeches included some harshly critical remarks on the Soviet economic system. They may well produce tension between SED policy--fairly free of criticism in recent years--and Gorbachev's call for radical reforms. Still, Gorbachev cited the GDR model as an example for the Soviet Union,(7) and the GDR economic leaders might therefore feel themselves justified, though many of the critical defects listed by Gorbachev are quite applicable to the GDR, too. Among Gorbachev's pertinent remarks are not only his demands at the 17th CPSU

Party Congress in February 1986 regarding the necessity for "a profound reorganization of the economic mechanism," a "radical reform"(8) but also and in particular his insistence that any reform must begin "by reshaping consciousness, by abandoning stereotypical thoughts and practices."(9) In fact the GDR lacks even the rudiments of such reconsideration, because any, even crucial information about economic issues has been systematically and increasingly obstructed in recent years. One topical example is evident abolition of a series of publications by the Akademie-Verlag: All reports of conferences of economists formerly published in the proceedings of the Academy of Sciences (10) were discontinued in 1986, though the conferences have continued.

2. Principal Reports and Profile of the Discussion

The date of the 11th Party Congress was officially announced at the 10th SED CC Plenum in June 1985.(11) According to a communique, party congress reports and materials, in particular the draft "directive," were confirmed on 11 April 1986 by the 12th SED CC Plenum 6 days before the party congress started.(12)

SED General Secretary Honecker and GDR Premier Stoph presented the principal reports at the party congress--the account of the completed 1981-1985 5-Year Plan period (13) and the explanations (14) on the "11th SED Party Congress Directive on the 1986-1990 5-Year Plan for the Development of the GDR Economy"(15). In between these two reports, CPSU General Secretary Gorbachev spoke as the guest of honor.(16)

Among the most important "working documents" of the delegates to the SED party congress were the above mentioned "directive" and a 150-page long report by the SED CC on the successes of the Honecker era, the final results of the past 5-year plan and the current economic situation as well as the outlook for the 1990's, entitled "The Successful Approach to the Organization of the Developed Socialist Society in the GDR. Figures and Facts. Compiled by SED CC Departments and the GDR Central State Administration for Statistics, April 1986." (17)

It is interesting to consider the list of GDR speakers in the ostensibly coincidental mix of GDR participants in the discussion on the one hand and the greetings and congratulatory addresses by foreign guests on the other. The discussion consisted almost exclusively of declarations of agreement, expressions of gratitude, examples of production and extra performance obligations. This profile of the discussion (18) confirmed the surely most careful choice of all participants consonant with GDR political and economic key issues. It was not by hazard, therefore, that two of the new Politburo candidates--Lorenz and Eberlein--were among the five first bezirk secretaries, the powerful "regional princes," to speak in the discussion. In addition (carefully graduated) the speakers included the secretary of a SED kreis management organization, the secretary of a basic organization and--for the first time at a party congress--a CC party organizer of a combine as the spokesman of the CC and chairman of the "council of party secretaries" in the combine. We can also provide an adequate analysis of the various other "groups" of participants in the discussion, for example the group of "state organs" (five ministers: Defense--the new Politburo member Kessler, Foreign

Affairs--Fischer and ministers in charge of three sectors of the economy), or general directors (two each from the sectors basic materials, capital goods, consumer goods and one from plant construction). The group of nine "workers" included someone working on the natural gas pipeline in the USSR and another one representing the Wismut Soviet-German Corporation. The large proportion of six representatives from the "science sector" included two presidents--Academy of Science, Academy of Arts--and clearly demonstrated the desired linkage between universities, scientific institutes and practical research in the economy. The eight participants from the "social" sphere ranged from the president of the Federation of Authors and a female mayor to a sportswoman who is also a university student. This is the group that included most women, because women are still the exception in top jobs.

In view of this orchestration it was surprising that Guenter Mittag, the SED economic expert, though acting as reporter of the commission for the "directive,"(19) did not provide a major contribution to the discussion on the further development of the GDR's national economy.

3. Notes on the Report and Directive

As had been the case at the 10th SED Party Congress in 1981, General Secretary Honecker's report on economic development turned out in some respects to be a personal long-term account of successes in the era of his leadership of the SED since 1971. Consonant with expectations and in addition to important foreign and domestic issues, the economy was one of the key issues of the party congress in the sign of the slogan "our chief battlefield is the union of economic and social policy."(20)

Honecker's account of developments in the completed 5-year plan period and his forecasts of the objectives for the next 5-year plan period through 1990 had little enough substance. Much was vague and nebulous and, as data were usually expressed as percentages only, they did not really mean much. Whether deliberately or not, it was left to Soviet General Secretary Gorbachev in his address a day after Honecker's report to point out the importance of autocriticism as a necessity for "real communists." Gorbachev said:

"The question is sometimes raised whether we have not exaggerated autocriticism, whether we might not thereby feed anticommunist propaganda? No, we are convinced that we have not exaggerated. Marx and Lenin taught us that a critical attitude to one's own work is an indispensable condition for the success of a revolutionary party."(21)

Both Honecker and, later, Stoph in his commentary to the directive, generally avoided mentioning difficulties. They were simply ignored in the euphoric party congress vision of an allegedly successfully working planned economy. Honecker fiercely endeavored to spread good cheer about the positive economic development achieved. Many of the data mentioned in his report cannot be interpreted at all without additional statistics or would require experts to decipher them. At the 10th SED Party Congress in 1981 Honecker had called for "an unprecedented economic performance growth...(to) safeguard our achievements in material and cultural fields"(22). For various reasons, the GDR economy was unable to carry out this demand. Of course, the GDR has

suffered enormous hardships since the early 1980's and, due to changed economic conditions, needed to tackle considerable restoration and consolidation efforts. In this connection the settlement of debt problems (23) was preeminent in the early 1980's. However, these were not the only reasons for the failure in essential fields to fulfill the very ambitious development targets of the 5-year plan through 1985, though percentage growth rates ranged from satisfactory to good. Still, the lack of clear data makes it extremely difficult to be sure about the actual volume and quality of economic development.

I am not going here to provide an exact statistical accounting of all economic results in the 5-year plan through 1985 nor a detailed interpretation of the GDR 5-year plan prospects through 1990. The following is designed mainly to indicate some principal trends of economic development. To make for better understanding of some of the growth rates targeted at the SED party congress and the "directive" through 1990, it is also necessary to explain the changes in the statistical bases of calculation. Another group of questions concerns the--albeit reduced--continued pursuit of measures for the perfection of the GDR economic system in the years to come, following on the GDR's efforts for rather extensive improvements in the past 5-year plan.

4. Less Favorable Cost-Profit Ratio in the New GDR 5-Year Plan

Honecker's report cited selected data on the growth of the national income, goods production, investments, fixed assets, real incomes and retail turnover in the course of the past 15 years since 1971, claiming them as an important argument for the success of his "smooth flowing social and economic development."(24)

Since there were no other complaints, Honecker's proviso "despite all our successes, we are certainly aware that all we have achieved is by no means all we could achieve,"(25) represented a relatively critical remark. Analogous to other values, data on the total national income produced in the 1981-1985 5-Year Plan (M1,087 billion at the new 1985 price base for which no statistics are yet available) must be considered against the background of changes in GDR statistics that have produced substantial shifts in, for example, the total economic cost-profit ratio.

On the foremost SED arguments for the success of the economic strategy of intensification put forward was the extent of cost reductions in recent years, in particular by annual savings of materials and energy. Even before this, an important criterion of efficiency was represented by the average 4.4 percent annual growth rates of the GDR national income, accompanied by less growth or even a decline in the production consumption of raw materials, energy and write-offs recorded in statistics. As a consequence of the price corrections and rising costs, its importance will increase even more through 1990, though less than expected was said about that at the 11th SED Party Congress. As has been the custom since 1975 at the beginning of a new 5-year plan, the 1986-1990 5-Year Plan period was given the new standardized statistical price base 1985 (before that the price base was 1980).

Just like 5 years ago, at the introduction of the 1980 price base (26), the value of the GDR's economic performance has deteriorated as a result of the changes wrought by this new price base, because the ratio of national costs for one unit of national income is much more unfavorable by comparison with the past (price base 1980). This trend was already discernible at the annual colloquium of the Research Agency for All-German Economic and Social Issues in February 1986.

The reasons for the comprehensive revision of prices and valuations can be explained in a few words. In recent years, the GDR economic leadership enacted several reforms to obtain "more realistic criteria" in the economy. The new prices were also designed to be more suitable for the international comparison of the costs of GDR products. Among the principal measures were gradual but far reaching annual price adjustments, a farm price reform, the revision of the valuation of almost the all fixed assets of the GDR as well as the introduction of a kind of payroll tax amounting to 70 percent of the respective wage fund ("contribution to social funds"). Other changes affect "CEMA contract prices" (27) and write-offs. All these corrections make for a new price standard of the enterprises, largely taken into account in a new statistical price base for 1985, with the changes taking effect as a rule on 1 January 1986.

At the 11th SED Party Congress, GDR Premier Stoph also emphasized that "production consumption" had declined in the years 1970-1985 "from 71.2 percent to 69 percent" of the GDR's so-called total social product. As we know, the value of the national income in the GDR derives from the difference between the total social product and the value of production consumption--to use a simplification. In the 5-year plan through 1985 the last officially reported ratio of national income to production consumption was roughly 37 : 63. Related to M100 national income, we thus get a "production consumption" amounting to about M171 (ratio 1 : 1.71). Following a change in the statistical data consonant with the new 1985 price base, the ratio for M100 national income also changed to a production consumption of roughly M223 (ratio 1 : 2.23) or more than 30 percent (see Table 1). This revision aims to reflect the cost situation at the beginning of the second half of the 1980's. As the end result of a valuation at the respectively valid price base in GDR statistics of the past 10 years, the cost-profit ratio has steadily worsened for the heading "national income." Table 2 offers an overview of changed statistical values due to a changed price base for the same 1970 in the course of GDR economic history. Upon conversion to the 1985 price base, the correction factor for the national income in 1985 increased only slightly by roughly 2.3 percent (1980: 6.7 percent), for industrial goods production with quality mark (Q) by 12.5 percent (1980: 23.9), for investments in the GDR national economy (see Table 3) by more than 21 percent or more than 2.5 times (1980: 8.2 percent).

Table 1--Ratio of National Income to Production Consumption 1970, 1980 and 1985 -- Price Base 1967, 1975 and 1985

Year	National Income to Production Consumption			
	Comparable Prices Price Base 1967	Price Base 1975	Price Base 1980	Price Base 1985 (2)
1970	1 : 1.54	1 : 1.54	1 : 1.84	1 : 2.51
1980		1 : 1.63	1 : 1.90	
1985(1)			1 : 1.71 (3)	1 : 2.23

Sources: GDR Statistical Yearbooks
Production consumption: Total social product ./. national income including settlements for production consumption

(1) Calculations on the basis of the plan fulfillment report (NEUES DEUTSCHLAND, 18/19 January 1986)

(2) Calculations according to Stoph's statements (for 1970-1985--editor's note) (NEUES DEUTSCHLAND, 20 April 1986, p 3: "In this period, production consumption was lowered from 71.2 percent to 69 percent of the total social product.") and other statements at the 11th SED Party Congress

(3) Production consumption estimated

Table 2. Total Social Product, Produced National Income and Production Consumption of the GDR and Their Percentages and Ratios in 1970 to the Price Bases 1975, 1980 and 1985

GDR Statistical Data for 1970 on Various Price Bases

Price base	Total social product (GG)			Produced national income (NE)			Production consumption (PV)			NE/PV ratio	
	Million marks	Percentage increase 1980/75 compared with 1985/80	Percentage	Million marks	Percentage increase 1980/75 compared with 1985/80	Percentage of GG	Million marks	Percentage increase 1980/75 compared with 1985/80	Percentage of GG	NE/PV	PV/NE
1975	278.080	-	100	109.470	-	39.4	168.610	-	60.6	1:1,54	1:0,65
1980	333.640	+20,0	100	117.430	+7,3	35,2	216.210	+28,2	64,8	1:1,84	1:0,54
1985	420,919	+26,2	100	120.072	+2,2	28,5	300.847	+39,1	71,5	1:2,51	1:0,40

Sources: GDR Statistical Yearbooks

The values for the 1985 price base were calculated from various data given at the 11th SED Party Congress

Table 3--Investments in the GDR National Economy in Various 5-Year Plan Periods; Price Bases 1980 and 1985

	Investments in Billion Marks			Investments in Industry(1)		
5-Year Plan Period	Price Base 1980	Price Base 1985(2)	Percentage Rise	Price Base 1980	Price Base 1985(2)	Percentage Rise
1971-1975	207.2	251.0	21.1	105.6	123.0	16.5
1975-1980	264.1	320.0	21.2	134.7	156.9(4)	16.5
1981-1985	261.7	319.0	21.9	147.6(3)	174.0	17.9
1986-1990(Plan)		346.0				

Source: 1985 GDR Statistical Yearbook, p 105

(1) Industry and producing trades (excluding building trade)
(2) According to data provided at the 11th SED Party Congress
(3) Values calculated in part from data provided at the 11th SED Party Congress
(4) Constant percentage rate of the price correction estimated

Any appraisal of successful economic growth rates shown for the GDR must take into account these constant corrections, in particular because they may well more than overcompensate by price increases the savings achieved by certainly great efforts in the course of a plan period.

In view of the poor earnings ratio, Honecker's stated plan target of about M1.3 billion for the national income through 1990 shows greater realism than the 124-126 percent growth rate set in the "directive," because an annual rate of about 4 percent seems more realistic than 4.5 percent and more. A rise of as much as 128-130 percent had been projected for the past 5-year plan period. In that 5-year plan period the high growth rates for the national income arose largely from extremely radical savings, record farm yields and price effects that must not be underestimated. However, even disregarding climatic unreliabilities, there are definite limits to other indicators through 1990, specially as the result of cost increases in production consumption or other obstacles affecting the world market, such as the collapse of oil prices and a lower dollar exchange rate right at the beginning of the 5-year plan.

5. Key Issues of the GDR's Economic Strategy

In addition to quantitative guiding principles, qualitative principles are among the major points in the SED general secretary's reports. Honecker officially considers the basis an allegedly well working GDR economic system requiring no more than minor corrections. Carrying on from the 10 key issues of economic strategy submitted by him at the 10th (1981) SED Party Congress, he now proposed an updated continuation of this program as the "10 key issues of our economic strategy for the development of the national economy with an eye on 2000,"(28) that is not present at least in this form in the "directive." The party congress documents amplify these points by additional facts and figures, guiding principles and numerical data. The following presents a small selection of these:

1. "The economic strategy of our party is designed to even more effectively combine the advantages of socialism with the achievements of the scientific-technological revolution that has itself entered a new stage."

   In his report, Honecker calls in this connection for the production of 1 and 4 megabit storage switching circuits.(29)

2. "It is the purpose of our economic strategy to speed up the improvement in labor productivity. Our mastery of the key technologies must be reflected in this most of all."

   The industry ministries estimate this on the questionable basis net production with a rise to 149-151 percent by 1990.

3. "Our economic strategy aims at securing production growth at a declining specific expenditure of raw materials and other materials as well as energy. The percentage of production consumption in the total product must continue to drop, and that will speed the growth of the national income."

Cited also are other plan targets--controversial from the environmental aspect--such as the increase in brown coal output from 312 million tons in 1985 to 330-335 million tons in 1990 as well as a rise to 15 percent in the contribution of nuclear energy to electricity production. Honecker also said that it is expected to, among others, produce aluminum from domestic raw materials.

4. "Our economic strategy includes the goal of achieving such production quality in our national economy as will conform to top international standards."

This rise roughly correspond to earlier targets not achieved in the past 5-year plan.

5. "Our economic strategy assigns a high ranking to socialist rationalization. It proceeds in great breadth and increasingly features the most modern technical resources. It thus represents the major approach to the improvement of labor productivity."

Evidently there is a persistent problem in the overestimate of the propelling power of microelectronics, robot equipment and CAD/CAM work stations.

6. "Our economic strategy is aimed at the greatest possible efficiency of labor."

The staggering of shift work takes first place here among other means of rationalization.

7. "Our economic strategy places significantly higher demands on investment activity."

The rationalization and modernization of existing plant represents the key here. The sphere of investments was already one of the major problems of the last 5-year plan. This time relatively more money is available (M346 billion), while the total of investments in the 1981-1985 5-Year Plan had declined slightly by comparison with the 1976-1980 5-Year Plan. By reference to the M63.2 billion planned for 1986 investments, the remaining rates should rise by an average of about 4.6 percent annually until 1990 (see Table 4). Taking into account the price rises, it is not yet foreseeable in how far real growth must be assessed at a lower rate. More than half the total of M346 billion is earmarked for rationalization investments in the producing sectors (M175-185 billion). According to party congress documents, rationalization in the processing industry is to achieve some 80 percent.(30) This certainly not very generous amount allocated to investments largely precludes the extensive investment push expected by some Western observers. On the other hand the scope of important innovation investments is also severely limited thereby, because new equipment and technologies require relatively large investments.

Table 4--Average Growth of Planned Investments in the GDR National Economy 1986-1990 (1985 Price Base)

Year	1985	1986	1987	1988	1989	1990	
Billion Marks	62.0 (2)	63.2 (1)	66.0	69.0	72.2	75.5	Total 1986-1990 as per "Directive" some 346 (345.9)
Percentage Increase over Preceding Year		1.9	4.5	4.6	4.6	4.6	Investment Total (3) (1985 Price Base) 1981/85 M319 billion (100 percent) 1985/90 M346 billion (about 108.5 percent)

(1) According to 1986 Plan
(2) According to Plan Fulfillment Report for 1985
(3) According to data given at the 11th SED Party Congress

8. "Our economic strategy aims at an even stronger development of consumer goods production. The entire national economy will have to still more emphasize the production of demand appropriate consumer goods of excellent quality and in sufficient volume. Efficient capacities for doing this must be created and expanded in each combine.

   The even stronger development of consumer goods production in all combines is a special key issue in Honecker's report and the "directive." The phraseology used clearly indicates the erxistence of bottlenecks and difficulties. The consumer goods program represents one of the preconditions for the next key issue.

9. "Our economic strategy is designed to achieve a steady and dynamic rise in performance. Our sociopolitical goals, the improvement of the people's and cultural living standards require strong and steady economic growth."

   Against the background of the rapid advances in innovation required, the influence of the educational system on the economy obtains a greater place value.

10. "Our economic strategy is intended to steadily deepen intensively expanded reproduction and place it on durable foundations. This necessity derives from the objective development laws of socialism."

Scientific-technological progress or the technical-technological sphere of speedier innovations account for more than half the 10 key issues in the SED's "economic strategy" for the long-range development of the GDR's national economy. As Honecker explained, all expectations are geared to "top

international standards" and "easy maintenance sections" in "more and more automated factories" as well as rapid advances in various modern techniques and processes.(31) The SED hopes that this will result in an "unprecedented rise in labor productivity helped by equipment."(32) It is at present not foreseeable whether there is a realistic basis for expecting such results.

By comparison with earlier SED party congresses, the 10 key issues of the "economic strategy" and also the reports do not show any greater concern for the needs of the general public nor the lasting improvement of the standard of living.

The reactor disaster of Chernobyl in the Soviet Union occurred shortly after the 11th SED Party Congress and might turn out to be the first serious disruptive factor of the new GDR 5-year plan, because the accident may give rise to additional burdens (for example the need for GDR aid of various kinds).

6. Guidelines for the Economic System

Chapter VII, "Tasks Related to the Further Perfection of Management and Planning," of the "10th SED Party Congress Directive for the Development of the GDR Economy in 1981-1985" (33) sketched the relevant guidelines under eight main headings. In retrospect, most of the measures carried out in 1982-1985 fall under these main headings, though some problems and experiments are indicated by regulations quickly succeeding one another with reference to the same facts of the matter.

No comparable chapter is included in the "directive" of the 11th SED Party Congress. Merely some guidelines form part of a section in a subheading on the "realization of the economic strategy." They largely correspond to Honecker's exposition of the economic system at the party congress:

"The German Democratic Republic enjoys a well working system of socialist planning. This has been shown to be efficient, dynamic and flexible. Its elements and tools are directed to the realization of our party's economic strategy. Governed by the sign of intensification, it therefore does not merely encourage quantitative advances but above all demand appropriate production at the best possible quality and lowest possible costs ... Of course life demands of us to perfect earlier achievements. At the same time fundamental economic processes remain firmly in the hands of the state."(34)

The combines are deemed to be the "backbone" of the planned economy and decisive "catalysers of exceptional dynamism." Admittedly, nothing is allowed to touch the absolute leadership role of the party and state organs "in accordance with the principle of democratic centrallism" and the consolidation of central management and planning. The "independent responsibility" of the combines is therefore limited primarily to responsibility for optimally fulfilling the plan. The range of indicators in the new planning order through 1990 bears abundant witness to strict central management. The rapid build-up of computer backed balancing systems conforms to the further stabilization of the earlier centralist model. These systems are to be "universally organized, from the State Planning Commission by way of the

respective ministry to the combines" and expanded in direction of a kind of central process control. All efforts at "real" oor "incorruptible criteria" primarily serve better performance accounting; a trend to greater control by way of prices and the market is not discernible. The general abandonment of a catalogue of further reform targets through 1990 may well arise from uncertainty about future Soviet approaches to the reform of the economic mechanism and from the hope in the interest of greater efficiency to shelter the combines and enterprises by means of constant changes from potential losses due to friction in the current 5-year plan.

In the 40-year history of SED party congresses, this last one was certainly the congress with the least expression of criticism and reform proposals for the economic system and, therefore, more than ever nothing but a much polished sign boaard for the SED. Unfortunately unmistakable differences persist between the healthy socialist world extolled at the 11th SED Party Congress and the harsh economic realities in the GDR.

FOOTNOTES

1. See attachment for a compilation of the data of all SED party congresses.

2. "On the Way to the 11th SED Party Congress. Report on the Course and Results of Confidential Individual Talks with All Members and Candidates of the Party. The SED CC Secretariat Dealt with Analyses of This Important Internal Party Event," NEUES DEUTSCHLAND, 17 October 1985, pp 3/4.

3. NEUES DEUTSCHLAND, 7 January 1986.

4. See Hans-Dieter Schulz, "Profit Explosion at the Industrial Combines," HANDELSBLATT, 10 April 1986.

5. NEUES DEUTSCHLAND, 18 March 1986, p 4.

6. Ibid, p 8.

7. Gorbachov made the respective remarks in two speeches, one in Leningrad on 16 May 1985 and another one in Moscow on 11 July 1985. According to Radio Moscow on 21 May 1985, quoted by Radio Free Europe (translated from English), Gorbachev said in Leningrad on 16 May 1985:
"In 1966 I went to the GDR with a party delegation to learn about the party leadership's experiences in the work with economic reforms. I was most impressed by our friends' achievements up to that time..."
On 11 June 1985, he said (according to a BBC tape)
"The establishment of industry mergers must be helped along in every That is a very promising approach as shown by the experiences of our fraternal countries, mainly and above all the GDR."
Matthew Boyse, "The East German Experience and Soviet Economic Reform Options,:" RAD BACKGROUND REPORT/148 (Eastern Europe), 23 December 1985.

8. M.S.Gorbachev, "Political Report by the CPSU Central Committee to the 27th Party Congress of the Communist Party of the Soviet Union," PRESSE DER SOWJETUNION, No 3/1986, p 16.

9. Ibid, p 18..

10. This is the "W" series of the Proceedings of the GDR Academy of Sciences. Department for Publications of the Scientific Councils.

11. NEUES DEUTSCHLAND, 22/23 June 1985.

12. See NEUES DEUTSCHLAND, 12/13 April 1986.

13. E.Honecker, "Report by the Central Committee of the Socialist Unity Party of Germany to the 11th SED Party Congress," NEUES DEUTSCHLAND, 18 April 1986, pp 3-8.

14. W.Stoph, "11th SED Party Congress Directive to the 1986-1990 5-Year Plan for the Development of the GDR National Economy,: NEUES DEUTSCHLAND, 20 April 1986, pp 3-5.

15. Published in NEUES DEUTSCHLAND, 23 April 1985, pp 3-10.

16. M.S.Gorbachev, "We Are Loyal Friends and Allies of the SED, the GDR, and We will so Continue for All Times!" NEUES DEUTSCHLAND, 19 April 1986, pp 3/4.

17. Cited hereafter as "Figures and Facts."

18. Contributions to the discussion were published in NEUES DEUTSCHLAND from 18-23 April 1986.

19. Guenter Mittag, "Report by the Commission on the Draft of the 11th SED Party Congress Directive to the 1986-1990 5-Year Plan for the Development of the GDR National Economy," NEUES DEUTSCHLAND, 21 April 1986, p 14.

20. E.Honecker, "Central Committee Report...," as before, p 4.

21. M.S.Gorbachev, "We Are Loyal Friends...," as before, p 3.

22. E.Honecker, "SED Central Committee Report to the 10th SED Party Congress," NEUES DEUTSCHLAND, 12 April 1981, p 3.

23. See Maria Haendcke-Hoppe's article "Foreign Trade Prospects" (in this issue).

24. E.Honecker, "Central Committee Report...," p 4.

25. Ibid.

26. See "Order No 2 on the Supplementation of the Order of Planning of the GDR National Economy 1986-1990," GBl I 1986, No 14, p 186.

27. See Kurt Erdmann, "The New 1980 Price Base. Changes in GDR Statistics," FS-ANALYSEN, No 6/1982.

28. Source of the "10 key headings" quoted hereafter: "Figures and Facts...," as before, pp 24-27.

29. See "Figures and Facts...," as before, p 26.

30. See "Figures and Facts...," as before, p 26.

31. For details see the article by Klaus Krakat, "Electronization and Automation Planning in the GDR" (in this issue).

32. Quotations: E.Honecker, "Central Committee Report...," as before, pp 4/5.

33. See "Direktive des X.Parteitages der SED 1981...". [10th (1981) SED Party Congress Directive...], East Berlin 1981, pp 86-94.

34. NEUES DEUTSCHLAND, 18 April 1986, p 5.

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ECONOMISTS DISCUSS INTANGIBLE FOREIGN TRADE, LICENSES, PATENTS

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 34 No 3, Mar 86
pp 420-427

[Article by Karla Hahn/Birgit Heinze: "On the Development, Management and Planning of Intangible Foreign Trade in the GDR"]

[Text] In May 1985, a scientific colloquium on the above-stated subject took place at the foreign trade section of the "Bruno Leuschner" College for Economics. This conference was attended by 61 scientists, representatives of industry, and students, among them representatives of other scientific institutions of the GDR, colleagues of state authorities and ministries as well as representatives of combines, foreign trade enterprises and consulting firms.

The colloquium was opened by the director of the foreign trade sector, Prof Dr Luft. In her opening speech, she emphasized the objectively growing importance of intangible foreign trade and stressed the following aspects in particular:

1. The factors influencing foreign trade dynamics are undergoing a process of change. As a consequence of the resource-economical type of economic growth, accompanied by comprehensive restructuring of productive forces, major impulses come more and more from the exchange of "products of the human mind." While raw materials, fuels, materials, and industrial capacities are subject to certain limitations, the resource "work capacity of society" is almost unlimited with regard to the level of qualification, quality of utilization, and use of the labor force.

2. Comprehensive intensification leads to the situation where in foreign trade there is not only demand for finished products, but increasingly, demand grows stronger for reconstruction and efficiency performances, and for programs and know-how.

3. The strategy of guaranteeing the technical and economic inviolability of the socialist economy demands more and more the development and reciprocal exchange of one's own scientific-technical solutions. Here, also, there is the trend of a stronger role of intangible exchange in the reciprocal foreign trade of the CEMA countries, and also increasingly in foreign trade with developing countries.

The colloquium was based on theses developed by Prof Dr Hauke and Dr Hahn of the College of Economics, in which the following comprehensive conceptual definitions were presented for the first time:

"Intangible foreign trade is a component of the total foreign trade of a socialist economy and comprises international exchange processes on a commercial basis, whose object is results and performances of a primarily mentally creative character exported or imported in a direct form, whereby their material shape does not represent the actual utility value. Intangible foreign trade can be connected with material deliveries, or can appear as an independent trade operation. Its main elements are:

--Exchange of scientific and scientific-technical results, which appear in material substrata and can exhibit a varying degree of materialization (for instance, documents, samples, substances), and

--Exchange of scientific, scientific-technical and other intangible performances tied to the person executing them, whereby their results can be materialized in the course of achieving the performance (for example, in studies), or can lapse in the activity (for example, training)."

Based on the theses submitted, Hauke presented an introductory paper entitled: "On the importance of intangible foreign trade for the GDR economy under the conditions of intensively expanded reproduction, and on current issues regarding its management and planning." Starting with establishing the place of intangible foreign trade, Hauke prefaced her further remarks with the following assessment of the development up to now:

--The individual forms of intangible foreign trade have further crystallized and stabilized; they have become a solid, irremovable component of international exchange, whose importance grows particularly in the implementation of innovation processes.

--The growth rates of sales of individual forms of intangible foreign trade are still rising or maintaining their dynamism, respectively, so that evidently the market has not yet reached a saturation point, and the introduction of new techniques, basic solutions, etc., gives new impetus to the market.

--The conjunction of intangible and material export has become compelling and is characteristic of modern foreign trade.

In explaining these theses, it was reconfirmed that principles, conditions, laws, etc., which were valid for foreign trade up to now, also apply to intangible foreign trade. However, consideration of specifics is a necessary outcome of the nature of the goods and of the inclusion of results and performances from sectors which until now had not been a part of foreign trade activities.

Intangible foreign trade in the unity of export and import must be used as a factor to accelerate all scientific-technical progress and to increase economic effectiveness, whereby differing effects can appear, each tied to the export or import function, respectively.

With the help of exports, foreign currency can be earned, a chance of amortizing reseach and training expenditures is created, and effects can be used for opening up and maintaining markets. Imports, on the other hand, offer the possibility of saving research costs, time, and capacity, as well as access to new findings, the general task consists in utilizing intangible foreign trade as a factor for intensification in all its ramifications.

The CEMA countries have the task of purposefully using their scientific-technical potentials in the interest of accelerating scientific-technical progress. This means for the problems to be studied in this context, direct cooperation--based on specialized potentials--must be further promoted through the exchange of scientific-technical findings and performances, and intangible foreign trade must be consciously developed in its differentiated forms.

Progress achieved so far was evaluated positively by Hauke, such as exports of educational and continued education services, but at the same time he pointed to still existing reserves in comparison with other highly developed countries. Efforts to open up new sources must be combined with a further increase in effectiveness. In this context, Hauke dealt with questions of the structural development of intangible foreign trade with regard to types of performances and scientific-technical standards. The complexity and close connection of intangible and material exports were stressed in particular. Immediate demands on management and planning derive from them with regard to internal cooperation, plan requirements and accounting, as well as stimulation. Also closely linked are questions of coordinating all activities tied to intangible foreign trade, particularly work on market and foreign currency prices between exporting and foreign trade enterprises.

In conclusion, Hauke dealt with problems of personnel, material and financial safeguarding of intangible foreign trade deals.

The discussion showed agreement with the fundamental statements of the theses and the introductory paper. Based on that, an interesting and lively exchange of opinions and experiences took place, particularly concerning the following complex of problems:

--Fundamental questions of present performance and planning of intangible performance exports, and increasing its effectiveness;

--Management, planning and organization of internal cooperative relations between exporting enterprises of productive and non-productive sectors, as well as foreign trade enterprises and consulting firms;

--Problems of foreign currency and internal pricing, and determining effectiveness;

--Demands on complex market research;

--Tasks of scientific-technical legal protection in a further increase of intangible performance exports of the GDR.

Dr Szalkiewicz, State Planning Commission; Straubinger, Central Office for International Licensing Trade; and Bauer, Ministry for Foreign Trade, spoke on questions of management and planning of intangible exports on the central government level. Starting with the decisions by the Party and government on further promotion of exports in this area, they unanimously stressed the need and possibilities for opening up all potentials for the effective utilization of all mental-creative work. Incorporated in the structural development of the material exports of the economy, the export of intangible performances is an additional, direct opportunity of using these results. It requires strengthening of long-term conceptual work in this area, and complete inclusion of intangible performance exports in the scientific and foreign trade strategies on all performance levels. This also includes taking into consideration these potentials and their planning in all phases of utilization (as intermediate and final results) of the research and development process.

On the basis of an assessment of the present level of intangible performance exports of the GDR and an evaluation of its structural development, particularly in connection with the material exports of the national economy, Straubinger explained in her paper the tasks of the Central Office for International License Trade in the process of management and planning of this sector of foreign trade. She explicitly dealt with the growing importance of increased effectiveness due to the supply of qualitatively valuable scientific-technical results by combines, plants and other institutions as well as improved market research, in particular with supply activities and constant work with customers. She pointed out the growing demands on management, planning and organization.

Starting with present regulations on the management and planning of intangible exports and current experience, Szalkiewicz in his paper also dealt with continued perfecting of planning methods in this area, and allowing these deliveries including ancillary deliveries as part of the plan fulfillment. He emphasized object-directed management and planning under over-all economic aspects. This also includes safeguarding smooth cooperation between exporting enterprises in the same or different sectors, and between exporting and foreign trade enterprises. In this context, Szalkiewicz also discussed allowing performances at certain stages of cooperation as a part of plan fulfillment, whereby it must be assumed in principle that the regulations governing planning and accounting of material exports must also be applied to intangible exports. On the basis of these existing regulations, he developed thoughts on differentiated handling of making such allowances according to the chain

of cooperation, differentiated according to vertical or horizontal cooperation.

Based on the objective character of scientific and technical international exchange and its implementation, transmitted largely through foreign trade, Bauer pointed out the resultant demands, new in content, method and organization, on the complex management and planning of foreign trade and stressed that the regulations created for this purpose have proven themselves in principle. At the same time, it is necessary to study further a number of individual issues and to find solutions for them in close collaboration between all responsible institutions of foreign trade, industry, and scientific institutions. The close connection between planning, plan implementation and accounting must be safeguarded. A focal point must be coordination and registration of state tasks in order to strengthen and further develop the position of intangible performance exports as an important qualitative and quantitative structural element.

A further focal point of the discussion was domestic pricing and, linked to it, measuring profitability. On the basis of existing regulations, Brechlin, Price Office, described the experience so far and emphasized the principle of covering real expenditures. Studies carried out do not show a need for further differentiation of the calculation parameters according to industrial sectors and areas. Brechlin also pointed to the present methodology's effect of lowering costs.

Hauke; Richter, of the Quality and Fine Steel combine; Dr Herrling, of the foreign trade enterprise intercoop; and Steffen, research office of the Ministry for Science and Technology, starting with the role of operating costs, described in their papers the differing effects of domestic pricing on enterprises or institutions working on the basis of economic accounting or public financing. Simultaneously, the necessity of profitability calculations as well as ex-post-facto costing was emphasized in preparing and concluding agreements. Hauke pointed out the totally different functions of foreign currency pricing and domestic pricing, and the ensuing need of not mixing the two methods and principles.

In their papers, Dr Jakob of the Ministry for University and Technical School Affairs, and Richter and Hentschel of Electro-Consult, dealt with specific questions of intangible performance exports within their areas of responsibility.

Jakob reported on experiences in developing export concepts for the area of the Ministry for University and Technical School Affairs. The focal points of its qualitative and quantitative development to 1990 were formulated on the basis of the major processes of education and training as well as university research, and the present structure of intangible performance exports. Differentiated for the individual types of performances, guidelines were established for preparing competitive export projects by universities for the future structure of countries and customers. In his further remarks, Jakob also dealt with the necessity of long-term and continuing market research and presented the experience

accumulated so far in this area by the Ministry for University and Technical School Affairs. In this context, he particularly stressed the role of market and demand research and the need for increasing the capacity to react to customer demands. In conclusion, he pointed out that the management and planning structures for intangible exports created within the Ministry had proven themselves.

Richter added to the statements on long-term, strategic work and emphasized that intangible performance exports must be included more strongly in the combines' foreign trade and science strategies, thus covering and safeguarding the inherent connection in the respective plan sections. Concepts developed by the combines on increasing exports--in the unity of material and intangible deliveries--should be constantly analyzed by the respective ministry sectors and, at this level, ratios should be established between requirements and potentials, including material-technical and personnel safeguarding.

On the level of combines, Richter pointed to the development of intangible exports, differentiated annually in value--this statement was emphatically supported by Placek of the Schwedt Petrochemical combine, among others--and to the respective consequences for plan requirements, simultaneously justifying the need for objective-directed planning on the industrial sector level. In conclusion, Richter stressed the need for constant market research, derived in particular from the character of these export objects, greatly in need of explanation.

Starting from the task-setting and structure of consulting firms in the GDR, Hentschel dealt in his paper with activities and demands on market research, using Electro-Consult as an example. Based on the actual demand structure under the aspect of effectiveness, he presented considerations on concentration with regard to major target countries as well as the range of supplies. A second focal point of his remarks was questions on further improvement of internal cooperation relations. He pointed in particular to the need for rapid capacity availability arising from short-term tasks and the responsibility of general suppliers during the preparation phase. Further efforts must be made in order to provide partly gratis prior work during the stage of tender preparation, as is customary internationally. In conclusion, Hentschel outlined demands on management and planning of consulting firms, particularly under the aspects of internal cooperation, price calculation for the consulting firm's independent performances, and financing of consulting firms, taking into account the great amount of prior work involved. Regarding investment exports, he reminded that by international standards, an average of 3 to 6 years pass between providing the consulting performance and actual export of the investment and that, therefore, if there is interest in the business transaction concerned, and from an economic point of view, high demands are placed on managerial mastery of the over-all process.

Dr Ronte, Technical University of Dresden, addressed in his paper the experience and problems in further increasing the proportion of intangible performances among investment exports. He underlined particularly the role

of intangible exports derived from the export strategy of the combine, where it is first of all a matter of increasing, in total export volume, the share of those goods fundamentally linked to intangible deliveries, and secondly, to increase qualitatively and quantitatively the share of intangibles within the range of goods of investment exports linked to intangible performances. Such a strategy in the system of management and planning of exports is stimulated by the fact that the proportion of intangible deliveries is fixed as a separate plan indicator. Ronte also stated that the growing diversity of intangible performances requires a correspondingly differentiated determination of its economic effects, needing a study of expenditure, use and price at the buyer's and seller's level. In conclusion, Ronte emphasized that the growing size of intangible performance exports also places high demands on planning and accounting of the capacities necessary for these shares of investment exports, particularly under the aspect of internal and sometimes sector-crossing cooperation. Simultaneously, there must be a system of proof of binding agreements, implementation control, and rendering of accounts of such exports which, as in the case of planning, seems to require individual recording of each transaction with regard to implementation and accounting.

A further focal point of the colloquium was the tasks of legal protection in developing intangible performance exports in the GDR. Prof Dr Winkelbauer and Dr Bourcevet, both of the Humboldt University Berlin, addressed this complex of problems.

Winkelbauer first spoke about the demands of scientific-technical protection of legal rights in the development, management and planning of intangible foreign trade in the GDR and stressed that the field of activity of protection of legal rights includes the entire process of innovation and reproduction. This is also proven by the results of studies in combines and foreign trade enterprises of the GDR. Under the aspect of scientific-technical protection of legal rights, which influences the attainment of intangible results and performances, their protection as well as their application, it is of decisive importance that it become effective in direct reciprocal action with the activities required within the framework of the innovation process. Winkelbauer pointed to a causal chain in the patent statistics of capitalist industrial countries: patent application and rate of patent grants, number of key patents and foreign trade volume of the respective country or position of the enterprise, directly related to these data. This connection makes clear that the foreign trade position is more and more characterized by its inventory of innovations and its rate of change, and that the legally protected innovation inventory offers greater safeguarding of competition and effectiveness. In conclusion, Winkelbauer dealt with methods of work on protection of legal rights (situation report on rights of protection, analysis of rights of protection, declaration of freedom from defects in title and concept of protection of legal rights, secrecy and examination of extent of protection).

Bourcevet spoke on the use of rights of protection work for increasing the effectiveness of intangible exports to the non-socialist economic area and stressed in particular the tasks of market research, especially market research in preparing licensing transactions. On the basis of international experience and analysis of capitalist practices in this field, respectively, he proved that the position of patent applications in technology transfer are a means of analyzing one's own developments or intended business deals, and an important means in competition, and derived conclusions for work on protection of legal rights in the GDR in the interest of further increasing intangible exports.

In his concluding remarks on the colloquium, Prof Dr Schulmeister, director of the science field of foreign trade relations, thanked the participants for the interesting and most useful discussion. In a short summary of the major results of the colloquium, he stressed that theses and discussion have made a constructive contribution to scientific generalization of findings and experience gained so far in theory and practice. Thereby they had corresponded, both in subject matter and course, to the demand emphasized by Erich Honecker at the 9th session of the SED Central Committee, namely, to utilize even better the intellectual potential of our republic in order to master the tasks of comprehensive intensification and to prepare the 11th Party Congress of the SED in a worthy manner.

Under the aspect of management and planning of intangible foreign trade, Schulmeister explicitly stressed as the major insights of the colloquium:

1. Intangible foreign trade must be conceptualized and developed as an integral component of GDR foreign trade. This characterizes its position in foreign trade strategy and in practical foreign trade activities. It is to be developed in close conjunction with material foreign trade. Sales and market strategies which plan these processes separately and isolated from one another, result in losses of effectiveness and fewer sales possibilities. This holds true for material production as well as non-producing sectors of the national economy.

2. In developing intangible exports, it is important to make greater use of the advantages of a planned socialist economy. The socialist status of ownership and central state management and planning, combined with independent management and planning on the level of combines, enterprises and institutions, as well as foreign trade enterprises, make possible

--long-term conceptual work on development of intangible foreign trade as a component of economic and scientific strategy,

--a complex development of intangible foreign trade,

--close linking of management, planning and economic stimulation in this field.

In conclusion, Schulmeister stated that during the period 1986 to 1990 also, a focal point of research for the foreign trade sector will be the subject "Development and position of intangible foreign trade and scientific-technical relations in the system of foreign trade, and its utilization for the intensively expanded reproduction of the economy of the GDR."

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NEW REFORM COMMISSION TASK FORCE DISCUSSES INFLATION

Warsaw RZECZPOSPOLITA (REFORMA GODPODARCZA supplement No 78) in Polish
12 Jun 86 pp 1, 3, 4

[Report by Krzysztof Bien on first meeting of Pricing and Incomes Policy Levers Task Force of the Economic Reform Commission, held on 28 April 1986]

[Text] The first meeting of the newly appointed Pricing and Incomes Policy Levers Task Force of the Economic Reform Commission took place on 28 April. Franciszek Kubiczek, first vice-chairman of the Planning Commission and secrtary of the Economic Reform Commission, introduced those attending to Prof Kazimierz Ryc, vice-director of the Finance Institute, who was named chairman of the task force by the president of the Council of Ministers.

The need to appoint such an advisory task force, said minister Kubiczek in his introduction, has been obvious for quite some time. It is dictated by immediate as well as long range needs in economic policy. We presently expect opinions, comments and supplementary proposals on the published draft of the next five year plan from all the task forces of the Economic Reform Commission. In addition we anticipate from the Pricing and Incomes Policy group formulation of opinions on inflationary perils and methods of counteracting them against the background of menaces to the National Socioeconomic Plan for the years 1986-90 and evaluations of the operation of formulas for generating funds for wages in industry in light of the growth of incomes.

From the broad, many-sided discussion that followed, we chose the opinions and comments which dealt directly or indirectly with the question of the sources and methods of counteracting inflation.

Prof K. Ryc: We have had to deal with inflation, with inflationary pressures for some time, actually constantly. They appeared in acute form in the 1980s. In connection with this we should consider certain forces in the area of income and price policy that lead to the poorly controlled growth of both, which in the end leads to inflation. In the field of prices, there are problems of restoring stability, compelling economical use of the elements of production, stimulating production, problems of empty increases, e.g., price increases that elicit subsequent price increases, which leads to "indexing" in the area of prices.

We are aware that the economic mechanism itself, which is animated by economic reform, does not protect the economy from inflation.

We should also consider how fast to move away from inflation, so that the fight against it does not lead to intensification of suppressed residual inflation. So that we do not replace one kind of inflation with another.

Marek Misiak, ZYCIE GOSPODARCZE: Looking at Central Office of Statistics indicators for the past 16 years, one can see that inflation is growing because of a lack of support for specific rules for establishing the level of wages in various socio-economic sectors.

Today people would like to go back to 1981 wages but at the same time do not want to have the consumer goods drama of that time.

Docent Brunon Gorecki, Economic Studies Department, Warsaw University: In recent years we swallowed instrumental solutions in the belief that economic reform would take care of everything and we neglected those developmental elements that are inherent in social structures. An example is concentrating on prices, on seeking formulars, not on verifying what effect the established income structure has on development. That is why I would devote more attention to this problem.

In analyzing the issues associated with inflationary perils, in seeking formulas, it seems to me that we are completely overlooking analysis of the branched structure of the wage intensiveness of consumer goods production. This same consumer goods production, merely through changes in the branched structur of production, initates different income flows. We have conducted research on this subject in the Internal Market Institute Task Force. It appears that emphasizing a faster pace for the growth of production of industrial goods, besides generating a more appropriate supply structure than in the current imperfect state of the market, would also lead to rapid closure of the inflationary gap. This occurs because such is the branched structure of wage intensiveness. In this way we can greatly shorten the period for reaching stability.

It seems we should also be concerned with the issue of the elasticity of crucial prices, the question of how much the demand in a set of needs of a specific kind changes when the price within another set of needs changes. With a lack of market stability, a moderate rise in food prices, for instance, will promote restoration of equilibrium in other markets as well. This has the additional advantage of saving money in household budgets toward consumption of durable goods. This leads to very regular pricing systems.

Finally the matter of the supply structure. Pricing policy should be conducive to stimulating production and at the same time protect us from the paradoxical increase in the prices of certain industrial goods, if only because they are in short supply at that moment. Their scarcity at that moment does not mean that a certain number of households will discard these products forever from their list of needs.

I would see far-reaching effects in change in the supply structure.
Dr Aleksander Welpe, Institute of Econometrics and Statistics of Lodz University: I would like to venture the argument that a return to stability cannot be separated from the issue of price restructurization. The fact that food prices are disproportionately lower than the prices of industrial goods, especially high tech goods, places us in the ranks of poor societies. Duplication of this structure leads to waste of food. But an increase in food prices leads to at least three direct gains.

The first is elimination of objective subsidies. This is a benefit at the macro level. The second is growth in interest in conserving food products at the household level. The third effect, about which docent Gorecki spoke, is that an increase in food prices would promote a return a stability in the non-food market. It seems to me that there is no component showing concern for restructurization of the pricing system in the steering mechanism for implementation of the National Socioeconomic Plan.

Prof Remigiusz Krzyzewski, Administrative Department, Warsaw University: I would like to touch on the issue noted by minister Kubiczek in his introduction, namely at whose expense to close the inflationary gap. This is a very important question. First it appears we will be living with inflation for a long time and it is necessary to learn that. What does this mean? It means to define who will pay for it and how. The biggest dilemma is whether to pass it on to industry or to the consumer.

Up to now inflation has been passed on to industry; that is, it ate up the funds that industry was supposed to allocate for development. The bases of the 1986-90 plan stipulate the opposite--the need for renovation of durable resources. So we face the problem of passing inflation on to the households. But in practice we have the opportunity for such action only in a few classes of households. The decision makers are facing a very difficult problem.

Today I am leaving this question without an answer. We are just now having to take aim at resolving these issues. And signal some direction for solutions. This is not only an economic problem but a socio-political one as well. It is necessary to remember that we are dealing with yet another barrier, a materials and techonological barrier, in industry that does not permit an increase in productivity by people employed in the socialized economy which would increase incomes over and above the growing burden on household budgets.

Great emphasis has been placed on tax relief in the instrumentation of the plan. Relief in income tax, turnover tax and depreciation are mentioned. There are scores of situations in which it can be granted. This is therefore an instrument to which much significance can be imputed. But tax relief is relinquishment by society, by individuals, of part of the income that should be made. That are allocated in turn to the entire non-material sphere, to the stable, hard-to-penetrate sphere of the protective umbrella. So if we use a tax relief system, then along with it we must introduce additional sources of budget revenue to cover the costs of that relief. Perhaps it would be better to take what is due and give subsidies?

But if we have subsidies, then there is the question of how to apply the subsidy system in order not to waste money and to produce the desired result. In practice we have objective and subjective subsidies. The effects of the latter are well known. But as far as objective subsidies are concerned, one could use the criterion of the plan of production or final, finished product that comes off the machines or finally product sold.

Three different systems, three different results. The first system is absolutely the most wasteful. We have been using it for many years and there is no sign of a change. There is discussion about changing subsidies from subjective to objective but that is another matter altogether.

I am of the opinion that in the future we should tie subsidies to final, sold product. Sold in the sphere of foreign or domestic trade. This would change our entire economic account.

Kazimierz Pusinek, vice-president of the Central Office of Statistics: Against the background of the new situation emerging as a result of introducing five formulas for establishing taxation of wages, we are in fact ignorant and blind. The Central Office of Statistics is completing accounting for liabilities to the National Vocational Mobilization and Retraining Fund [PFAZ] for 1985. However, the accumulation of this data does not afford an explanation of all the mechanism producing just such differences in the growth of wages.

As of this year the new formulas for the bases of taxing funds for wages are in effect. I think the governing boards selected these formulas in a subjective way, e.g., a way that would be relatively the safest for industry. This can cause a number of surprises in the sense that the mechanism that in theory were to keep watch over wages can turn out to be ineffective and the money will start to slip away from us horribly.

That is why it would be good already now to have at least an initial view of how this issue looks based on the example of at least a selected group of industries. I see this as a fundamental issue because in the fight against inflation, in my opinion, putting wages in line is decisive; in other words, economizing wages so that they cease to be a purely social category.

On the basis of various calculations I have come to the conclusion that throughout the past 40 years, we have made a mistake in remunerating growth in productivity at a higher rate than is economically justified. It is an economic barrier to pay for labor at the rate of .35 percent and for growth in productivity of 1 percent. In recent years we have had a rate of compensation of almost one to one.

But at the same time wages vary. The ratio of average wages among individual industries in the same branch is sometimes three to one. Attempting to explain this phenomenon using indicators of the productivity increase kind is no help. We do not know how to define what part of the difference comes from the actual product of the industry and what part from various "nudgings." This produces a feeling of social injustice; the people on the other side of the fence make more money. Hungary, for example, has a very even inter-branch wage ratio.

Here personnel are always referring not to their own factory, but to their neighbor's This takes attention away from improving productivity in one's own plant and elicits enormous pressure for relief.

Kazimierz Ryc: The first tryouts from the point of view of inflationary perils show that this year proceeds are heading for 20 percent annually, which would mean that the comparable indicator for price increases should be not 13 but 18 percent.

Prof Michal Winiewski, Institute for Labor and Social Affairs: It seems that first of all there are too many levers. Good plant managers use computers to establish how best to circumvent these levers. And exploit them for their own purposes. And they goal they set is obvious--how to obtain the most income at the lowest price. It is not only a matter of relief. There are also subsidies; there are funds then discussions and tryouts of what is most comfortable begin. Then it turns out that solutions are often contrary to each other. Thus the fundamental question--do we have too many levers.

Although or perhaps because there are too many levers, the government has little influence on what affects inflation, on industry, on prices and wages. But there is an area where the government really does have authority. This concerns the budgetary and social spheres. In these areas plans are implemented. Elsewhere there are excesses of expenditures. This produces the phenomenon of the growing gap between what can be controlled and what cannot. To the detriment of weaker groups.

Kazimierz Dzienio, director of the Task Force on Employment and Population Income of the Planning Commission: How have the governing boards treated the issue of formulas? If we count on the weight of employment, then more than 39 percent of those employed are includes in the threshold formula. In second place is the standards-growth formula with one percent less. The third is the shareholding formula. In fourth place as far as scope is concerned is the formula for individual taxation. It includes about 500,000 employees. The profit formula is completely marginal. About 60,000 employees are covered by it. No more than that were interested.

What were the points of pressue on the part of industry? Where before there were major liabilities to PFAZ, everyone is rushing to the individual formula, seeing in it an opportunity to gain profits. Here the center resisted. Because this formula had been assigned mainly to scientific and research institutions and planning offices, in individual cases and for verification in other areas. There was a general flight from the standards and growth formula to the threshold formula, for in accounting this formula turned out to be more favorable than the growth formula. So one can see from this that the governing boards approached the issue of formulas not from the angle of restraining wages but rather from the angle of the industry's advantage. There are already some analyses of trends in the growth rate of wages for the first quarter of this year. If present trends continue, average wages would rise at the rate of 18.5 to 19 percent annually. This would mean exceeding the wage fund by 150 to 150 billion zloty in relation to the National Annual Plan. And the high growth rate of wages in the tangible sphere will automatically begin to pull the growth of wages in remaining areas along with it.

Prof Leszek Borcz: I must say that the levers we are discussing today constitute major progress in relation to the solutions that have existed thus far. But where does the problem lie? Wages are in general a tool for efficient management. But since up to now there have been no systems-type solutions and there are none that would force efficient operation on industry, then under these circumstances it is difficult to generate a wage mechanism that would solve this problem in place of systems-type solutions.

Moreover there is a fault in our economic practices essentially appearing between the income and cost functions of wages. This means that there was, is and will be emphasis on wages. There are no mechanism here, no forces interested in the cost function of wages. The capitalist pays as much as he has to; we pay as much as we can. That is the truth.

Under these circumstances, the entire intellectual effort should move in the direction of seeking and introducing pro-efficiency solutions into management and industry. Without solving this fundamental problem, fragmentary issues that are merely subordinate to these overriding goals will not be resolved.

Wieslaw Jasinski, director of the Department of Income Polish of the Ministry of Labor, Wages and Social Affairs: In the ministry we have concluded the processing of assigning specific formulas to industries. The specified deadline, 31 January, has been met. But laer there came an avalanche of cancellations, mostly on the part of the governing boards and later directly from the industries, bypassing the governing boards.

Of course all the industries and governing boards issue proposals adopting the formula that offfers the greatest possibility for wage increases, not those that would force something on the industry.

The cancellation process is still going on; that is why not all businesses know exactly what formula they will use this year and that means in future years as well. For the same reason we too do not know how and what formula is operating in industry. We are defenseless. The first calculations will be a month from now.

Calculations for the first quarter will be more complicated than those that will take place in later periods. For ther is the problem of establishing a basis, a point of reference. After all we are operating on the basis of growth formulas and so there is the question of which wages to calculate growth from in 1986. We can establish such a basis only after audit of the balance sheets. These audits are still going on and how long they will last is not yet known.

In a word, I cannot talk about the operation of the formulas until June or July. One thing is certain: none of the adopted formulas--and here I'm referring to the situation after the first quarter--affords the possibility of a 20 percent increase in wages. The justification must lie elsewhere.

I agree with Prof Borcz that the income function of wages predominates. This means that no one thinks about how to compel efficiency with the help of wages. Industry has one argument: the cost of living is rising and we too are forced to raise wages so that there will be no drop in real wages. And the

group of those who are going full speed ahead, regardles of the consequences, is not that small. The saddest thing is that among these suicidal individuals, besides small units of the agricultural circle kind or some small local industry, there are also giants who absolutely do not care whether their debt is in the millions or billions. They assume they will not perish. That is why we are starting to thing about how to solve the problem of units of major economic importance in which--as we know from elsewhere--the possibilities for growth in production are very limited. Every attempt at systems-type solutions in them must end in failure. Take coal mining, for example. Would it not be better to say right away: Gentlemen, there is no mechanism among you; go on working calmly; we will give you as much as necessary. One could point to more areas like this.

On the other hand we have numerous examples of individual units where although wages are low, debts to PFAZ are not paid. For it is acknowledged that either this is reprehensible or that money must be allocated for development. The saddest thing is that we are not in a position to help those particular industries. Because the only lever we have is to use relief. Except that one can offer relief only to those who pay taxes. And if they do not pay?

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ESTABLISHMENT OF SMALL INNOVATIVE ENTERPRISES PLANNED

Warsaw ŻYCIE GOSPODARCZE in Polish No 25, 22 Jun 86 p 2

[Article by Irena Dryll: "There Is a Chance"]

[Text] The small innovative enterprise [MPI] is a creature which has not come into being yet but which has a clearly defined and attractive form. If it has the good fortune of coming into being, there is a sure chance that instead of calling for the implementation of technical progress, we shall finally begin carrying it out. The MPI is to be a kind of professional promoter and travelling salesman dealing in technical innovations and at the same time, a specific kind of "breeding place" for innovations and initiative.

The concept of the draft plan of the legal act on small innovative enterprises, worked out at the Office for Scientific-Technological Progress and Implementation [UPNTiW], assumes that the purpose of MPI activity will be:

--the manufacturing of highly technical and high quality products that are unique or produced in short series; prototypes and experimental series as well as cooperative activity in the area of supplying these products;

--the introduction into domestic production of scientific-technological achievements;

--the rendering of specialized technical services;

--expanding export production and services and other forms of economic and scientific-technological cooperation with foreign countries;

--technical consulting; and the promotion and popularization of domestic scientific-technological achievements.

In accordance with the assumptions, the following may function in the form of MPI's: state enterprises with up to 50 employees, work cooperatives, economic units of social organizations that prepare balances, trade plants, nonsocialized nontrade manufacturing and service units, mixed enterprises, limited liability companies and joint stock companies of legal and natural persons in which the state treasury represented by the UPNTiW may participate. Therefore, a small enterprise will be formed (if this does come about) within the framework

of the appropriate form of ownership and type of unit at the initiative of all the above named units, organs of state administration, scientific-developmental units, higher schools, social organizations and natural persons. The minister--director of the UPNTiW may also come out with the initiative of creating an MPI or of including other, already functioning units in this form of operation at such a time becoming an overseer for these enterprises.

In order to begin activity in the form of an MPI, a license must be obtained. It must be issued by the minister-director of the UPNTiW. He also determines the specific procudure for obtaining the license. It is assumed that a license will be issued for a period of 5 years but on the basis of a subsequent application and verification, an extension may be obtained. In accordance with the concept under discussion, "a license is granted if the activity of the MPI is to ensure the following particulars: 1) the implementation of priority tasks in the area of scientific-technological progress; 2) the introduction and application of technological and organizational solutions; 3) the increase of supplies to the domestic market and of unique products or those produced in short series with high technical and quality standards for export purposes (or substituting for imports in this respect)."

A few words about the economic-financial system [of MPI's]. The MPI is to independently conduct economic activity on the principle of the economic account basing itself on independently determined long-term and annual plans. Such an enterprise is financed from its own funds which can be increased by the partners (e.g., mixed enterprises or joint ventures) and supplemented with bank credit or other financial means. All of its assets are placed as collateral for its financial obligations. In case of failure, its license is placed on the line as well, which may be revoked if, for example, during the year the MPI does not fulfill the conditions of creditability prescribed by the bank. The bankruptcy and closing down of an MPI is subject to general principles. Most funds are also formed on the basis of general principles. However, enterprises of this sort may also have other funds specified in the agreement about the establishment of an MPI.

An MPI's profits are to be taxed with an income tax of 50 percent of the profits obtained during the fiscal year. There may be exceptions to this general rule, for example, the minister of finance in agreement with the minister-director of UPNTiW may determine the invoice statement of branches in which this tax amount will be lower, the bottom line of this tax being 10 percent of profits. There also exists a proposal to exempt the MPI from paying income tax during the first 2 years of activity in the case of newly activated plants operating on a fully self-accounting system, on condition that the funds received from this exemption will be allocated for the developmental fund. Under the same conditions, it is proposed that the MPI be exempt from paying income tax on profits obtained from production that is activated again for a period of 3 years

from the beginning of its [production] implementation. In accordance with the discussed concept, the entire sum of depreciation allowances of an MPI would also be allocated for developmental purposes of the various units.

The verified profits of an MPI reduced by the income tax due, as profits for distribution (after completing the obligatory allowance for the reserve fund), are divided up among the partners in proportion to their share in the capital while also taking into account, if need be, other needs specified in the agreement about the creation of MPI's.

Wages

An MPI is to independently determine the amount of funds for workers' wages within the framework of its financial capabilities and in accordance with the needs of its activity, and to prescribe the principles and conditions of rewarding workers and granting other work related benefits. An MPI is to apply the rules of the work code as well as the rules appropriate for the forms of ownership that it represents. The assumptions envisage the exemption of MPI's from the burden of the tax on above standard wages.

Powers

The MPI's have the right, among other things, to acquire the means of production produced in the country directly from the producer or in commercial institutions; to obtain loans and bank credit from other institutions on preferential terms according to the principles set for state enterprises; to enter into various kinds of joint ventures and coproduction agreements with other economic units; to have control over all the foreign exchange funds obtained from exports (in the light of set practices, this entry is--I believe--overly optimistic); and to make use of the funds in the central foreign exchange fund. It is also assumed that the MPI's will independently set prices on goods and services according to market criteria. From among the several remaining powers, the proposal that the MPI's may have the right to apply the rules regarding inventiveness, which are binding for the units of the socialized economy, also seems to be particularly valid.

Other principles of operation:

--the MPI's may form branch national and regional agreements, whereas their participants may form commercial law partnerships for the purpose of conducting economic activity indispensable for the implementation of such agreements.

--As far as employment is concerned: it is proposed that employees of the socialized economy, who want to work at an MPI, should be given the possibility of receiving a 2-year leave without pay whereas the leave period for inventors and authors of other scientific-technological achievements would be regulated on a different basis. The author of such an achievement or a person nominated by a major shareholder could be the director of an MPI. There are also other proposals with regard to these matters.

--Self-government and trade unions would function on the basis of general principles determined by the appropriate regulations.

In summing up: the basic assumptions, which at the same time determine the controversialism of the entire concept are as follows:

First of all, there is the possibility that an MPI will function along the same principles in all sectors of the economy whereas the initiative of its creation (as opposed to the current procedure of summoning an enterprise "from the top") can issue forth from "the bottom"; upon the fulfillment of specific conditions, every economic unit would be entitled to initiating the creation of an MPI.

Second, the combining of capital within the framework of an MPI would be allowed, e.g., state and (the state treasury is represented by the UPNTiW) private capital.

Third, tax relief and preferential treatment would have an institutional character and would be related to specific tasks and goals, whereas all of MPI activity would be geared toward efficiency.

Licenses and, as I have already mentioned, the possibility that they may be revoked in case of credit "insolvency" are to serve as an additional verifier of efficiency.

The work on the concept of the draft plan of the law on MPI's, which is briefly presented here, continued from January until mid-March of this year [1986] at the Office for Scientific-Technological Progress and Implementation. After nearly 3 months (on 10 June), this concept was discussed at the session of the 10th team for matters involving self-government and the legal foundations of the functioning of the economy and acting within the framework of the Economic Reform Commission. In presenting the draft plan concept, its co-author, Dr Wojciech Brzost, assistant director of the department of institutional matters at UPNTiW, emphasized that this is a concept and not the draft plan of the legal act. Therefore, we should not become used to the particular entries since nothing has been settled yet. The authors of the concept have come to the following conclusion: the current economic-financial mechanism of enterprises is not capable of "digesting" innovation. On the other hand, small innovative enterprises would exist from this and the purpose of their existence would be, if it may be so described, "production" and "familiarization" with scientific-technological innovations and their circulation and "packing into" enterprises. This would make it possible to intensify, on a small scale, the processes of ushering modern technological solutions and domestic inventions into the economy.

The discussion in the 10th task group has confirmed the principle of the here presented proposals. "Admittedly," indicated Docent Andrzej Szajkowski from the PAN State and Law Institute [Instytut Panstwa i Prawa PAN] in the introductory presentation, "they [the proposals] relate only to a part of the problem of increasing innovations in the national economy. Nevertheless, this

concept is bold and consistent. And most importantly, the problem has been formulated quite comprehensively by very skillfully using a considerable arsenal of economic resources."

"For this reason it [the concept] deserves recognition and, above all, keen attention," pointed out Docent Szajkowski. "Certain formulations require more accuracy and certain proposals--more thorough discussion. Nonetheless, the concept itself is sound and worthy of support. This is the most interesting document that I have seen on this subject." In the docent's opinion, if the law on MPI's were to see the light of day, changes in the area of the implementation, stimulation and use of domestic technical inventiveness would be rapid and observable.

Docent Szajkowski reminded those gathered that discussion on the subject of technological progress has been continuing in Poland for over 30 years. The problem of whether in the reality of the current system, technological progress should be sucked up by economic units or pushed from the top by the central administration, by the mechanisms of legal obligations, etc., is discussed on all levels and in various groups. In newspaper columns and on the radio waves as well as on TV, the specter of a suffering inventor appears who has come up against indifference, unkindness and who is harassed and surrounded by jealousy.

The law on inventions enacted in 1972 introduced a very significant change: a patent no longer belongs to the state and has become an integral part of enterprise assets. From that time on, economic units were to use the inventions and useful designs of other economic organizational units on the basis of license agreements. The turnover of the results of research-developmental work was restored to the socialized economy.

Why, therefore, despite these favorable changes has the economy's desire for innovations not increased? Why do Polish enterprises continue to defend themselves against technological progress like the devil against holy water; why do they not want to usher it in and assume the difficulty and risk which inherently accompany the processes of the implementation of technological progress?

Docent A. Szajkowski contends: "The problem of motivation for enterprises that are to usher in new technological solutions as well as the problem of assuming risks which are associated with this type of activity have not been solved."

"I am trying to push innovations and nearly everywhere I come up against a wall of enterprise indifference," stated Prof Leszek Kalkowski, assistant director of the Krakow branch of the Institute of Organization, Management and Economics of the Orgbud Construction Industry. It follows from his statements that there is a kind of mini-MPI operating in his institute which has at its disposal an engineering staff of four full-time and one part-time employee [4.5 etat inzynierski]. The institute has 9,000 recorded patents and technological ideas of which it is trying to put a part into practice. The obstacles are various in nature--from the above mentioned enterprise indifference to the lack of several kilograms of a much needed raw material. However, there is no shortage

of rules and regulations that successfully impede activity. Thus, for example, in the case of implementational work, the institute cannot employ the customer's [zleceniodawca] people because of the charge that this threatens with graft.

"In order to hire an assistant or, for example, a typist for the institute, I must request the permission of the city fathers because in Krakow as in 22 other provinces people [workers] are rationed," stated Prof Kalkowski.

He assessed the concept under discussion as good and necessary seeing its main advantages in licenses and institutional reliefs. However, in his opinion, the MPI's will help solve only one side of the equation: to "push" and not to "suck up." Thus, the suggestion of mitigating the risk problem, which was also pointed out by Docent Szajkowski by, for example, creating a special risk fund. Director Jan Kukla from the Piec-Bud-Export branch export company in Gliwice also opted for the fund. In his opinion, progress in many areas is small because the issue of economic risk has not been defined precisely in the reform. Prof Alfred Klein proposed, among other things, that enterprises should be prepared for risks by means of, for example, institutional reliefs.

Undoubtedly, some form of "insurance against risk" is necessary. On the other hand, it is difficult to imagine a lively economy without risk. However, risk which on the whole is worthwhile. An MPI is something that can grow primarily out of initiative and its inherent element which is risk. This was confirmed in the continued discussion.

Docent Andrzej Wasilewski went so far as to propose that an act be passed regarding the principles of assuming innovative activity; i.e., an objective and not subjective formulation: "Why not enable everyone with the desire and the capital to create an MPI? The strict 'rules of the game'; i.e., the conditions and goals would be determined by licensing and this would be recorded in the legal act."

As far as licensing is concerned, other discussion participants also agreed that the procedure according to which licenses are issued should be specified in the law. Licenses carry a glimpse of the entire concept. However, there was no agreement on the proposed objective formulation of the entire issue. "This would have led to the law on initiative and we would have again been on the road to improving the levers used thus far. The only solution that can change something in practice is a subjective solution; i.e., the MPI's," said Prof Czeslawa Zulewska. This does not impede individual initiative or that which proceeds from the bottom since, as I have already written above, every economic unit can form an MPI.

"The entire concept is based on the freedom of management and on personal advantages. Besides economic reasons, there are an equal number of social reasons that speak for it [the concept]," according to Prof Zulawska. "This is an opportunity to stimulate initiative and to become familiarized with the economic risk--and we need this very much."

"Many people feel that nothing can be done; apathy has become commonplace. However, demonstrating to large and small economic units and to the people working in them that they can try to do something, that technological progress can be pushed through will have a great impact," claimed Docent Szajkowski.

"I have friends who have hidden away their engineering diplomas and who are dealing in parsley. However, they are suffering on account of this," said Dr W. Brzost. "They would go to work for an MPI if such did exist. And that is the problem--if such did exist. But will they? The interest in MPI's is large; the climate at high levels--conducive. However, there is also no shortage of opponents at all levels and also in existing enterprises. The MPI's are treated like a competitor for rare goods who will take away various forms of relief, resources and, above all, people."

In refuting this last argument, Dr Brzost refers to the following estimates:

--During the 5-year period, 200 MPI's may be created and "business" would be brisk: some would be forming whereas others failing (as much as one-half of the existing ones annually). Assuming a limit of 50 employees, this would concern approximately 10,000 persons. Will those from among them who want to leave because they want to make something not leave anyway?" "Would it not be better," asks he, "for them, if they are talented and enterprising people, to go to MPI's instead of dealing in vegetables and boutiques?"

"We are discussing how to make the draft plan sensible instead of how to push it through," noted at one moment Prof Zofia Letowska. And this was a valid remark in that black clouds are already forming over the not yet born form of enterprise. As it turns out there exists a plan to take care of the matter of creating MPI's in state enterprises by way of a resolution of the Council of Ministers and the People's State Council. According to experienced attorneys, members of the 10th task group, it would be not so much taking care of the matter as burying the entire issue. "The quality of unversality is possible to attain only with the help of a legal act," stated Prof Letowska. Other discussion participants, among others, the vice-chairman of the State Economic Arbitration Office, Witold Pawelko, argued that the rank of the matter requires legal and not any other form of control.

"People still have not stopped believing that the law means something and can do something," stated Prof Ludwik Bar, chairman of the 10th task group. "The proposed solution should not be treated as an experiment and it is the law that gives a sense of stability. Perhaps the MPI is a life jacket which we need? We have set our sights on giants forgetting that in many countries small and average-sized enterprises constitute the foundations of the economy."

The call for a resolution was the first bucket of cold water. The second one was spilled on those gathered by Director Andrzej Wroblewski, representative of the URM [Office of the Council of Ministers] Planning Commission: "I am more pessimistic than the state. Indeed, there are ideas to put into use but the situation becomes more difficult when it comes to capital. No one wants to take a risk and wait for the effects. In my opinion, the problem lies in capital. We can pass a law but will fall short on the financial means."

Indeed, Dr Brzost replied as follows: "There is plenty of capital only the conditions for setting it in motion have to be created..." Indeed, Docent Szajkowski explained that this is not a question of large-scale undertakings in the line of a steelworks but rather of small (though significant) innovations and this does not require large amounts of funds. Thus, there are persons and institutions who will reach into their pockets. However, he added, "I too do not feel that this can be successful. Not because of the lack of capital but because this is a challenge to those who like things just as they are; to those who are lazy and indifferent and who are afraid or who no longer want to test their capabilities. The entire matter will wash away under various pretexts, using various reasons--both ideological and political."

An interesting and quite concurrent opinion may be read in the PRON report ("Renaissance" No 24/86): "Gigantomania and aversion to small industry and trade have deprived us of the "connective tissue" that is indispensable for the efficient functioning of the economy and that enables the dissemination of technological progress throughout the entire economy."

9853/12795
CSO: 2600/553

ECONOMIC SOCIETY PRESIDENT ON STATUS OF REFORM

Warsaw ZYCIE GOSPODARCZE in Polish No 26, 29 Jun 86 pp 1, 4

[Interview with Prof Zdzislaw Sadowski, president of the Polish Economic Society, by Karol Szwarc]

[Text] [Question] The economic community was very active during discussions preceding the 10th PZPR Congress. On what was the attention of the Polish Economic Society [PTE] primarily focused?

[Answer] On the necessity of unequivocally accelerating the reform, structural changes and the process of balancing the economy. This acceleration is the main stipulation of our community. It is our opinion that we are moving too slowly along the road leading to a healthy economy and this sluggishness is threatening continued progress. We have given the development of our stipulations the title and form of "The Stand of the PTE prior to the 10th Congress," which we submitted to the highest party authorities.

[Interviewer] We are placing this text in our current issue.

[Answer] This pleases me very much.

[Question] Several months ago, you published in our columns an article pertaining to the future of the reform. It prompted a reaction in our magazine and in other groups as well. Doesn't this exchange of opinions lead you to additional conclusions?

[Answer] The article was a collection of my thoughts on the subject of the direction in which we are heading. I feel that it is necessary to carry out such reflections so that the direction does not become obliterated but rather grows clearer in order to unravel and eliminate noncohesiveness and gaps in the total solutions. We are striving for a social economy that interconnects plans and the market. The method of implementing this interconnection still requires much thorough study. However, besides this it is also necessary to answer the question of how to attain this future goal relatively quickly. The exchange of opinions about which you are asking prompts me to again concentrate my attention on this very question. At the same time, it is becoming increasingly clear to me that the main problem requiring a solution is to find a way in which high production efficiency can be combined with fair distribution.

How to quickly raise management efficiency while at the same time striving for a more just distribution--this is our primary question.

[Question] The current state of the reform is evaluated in various ways. At times it is possible to come across the point of view that the form and not the substance of the system of functioning has undergone a change; that, to be sure, we are dealing with a system that is different than before but that this is not what we were aiming at. How do you feel about these kinds of opinions?

[Answer] I do not agree with them. The reform is not a piece of furniture which one places in the economy or not and which immediately assumes this or another form. Reform is a continuing transformation of the entire logic of the system of management and of the rules of conduct of all the economic organizational units. Its substance is based on this. This transformation of people's attitudes requires a long time to become accustomed to new institutional conditions. When we speak of the need for accelerating things, it is this change in the conditions that we are thinking of--particularly, economic and organizational conditions but also psychosocial conditions.

Today's economic system is a construction site. The substance of this system has already changed very significantly. Enterprises have to a certain extent begun to act under the influence of market indicators and the economic account has a noticeably and incomparably greater significance than before. However, the parameters of this account are still lame and require support through administrative methods. Therefore, enterprises function under the influence of contradictory signals and not only those that are concordant with the new logic. Such a situation gives rise to doubts whether this is the model that we had aimed for. Of course, not. Just as the construction site is not the aimed for objective but only a temporary phase. It would be an obvious misfortune to allow the system to become fixed in its temporary noncohesive form. This is the reason for the necessity of the rapid continuation of the reform.

[Question] It is sometimes said that instead of a self-regulating system, we have created a bidding-discretionary type [przetargowo-uznaniowy] system.

[Answer] No, it cannot be said that we have created such a system because we have not as yet created the finished system. However, for the time being we have a situation in which much bidding and discretionary-type decisions are taking place although less than in the old orders-type system.

[Question] Therefore, we are aiming at creating a mixed system.

[Answer] I do not accept such a description. Undoubtedly, this is not to be a mixture of the market and discretionary-type decisions [uznaniowosc]. We are striving to create a qualitatively new system of the socialized economy. Its fundamental logic, as we have been repeating to the point of boredom, is based on combining the strategic role of central planning with independent decision making on the part of socialized enterprises which is synonymous with flexible reactions to market signals.

[Question] And yet, despite such frequent repetition of the general principle, it may be heard and even read that the reform is an instrumental measure; i.e., the means for the implementation of the plan.

[Answer] This is a total misunderstanding. The reform cannot be reduced to the level of a set of economic-financial levers. Reform is the far-reaching reconstruction of the way in which an enterprise operates, the method of central planning, the role of the bank system and finally the methods of conducting economic policies. The purpose of this reconstruction is to create the foundations for an efficient economy which is highly productive and geared toward the development of technology and at the same time, aimed at the implementation of social goals that are in keeping with our political system. He who does not understand this has not understood the basics of our reform.

[Question] Therefore, what is the role of the economic administration in relation to enterprises in such a system?

[Answer] Important. The administration defines to a considerable extent the conditions of enterprise functioning. I feel that, as has always been the case in the past so too now, Poland needs a strong central authority in the field of the economy as well. However, the power of this authority cannot be based on daily intervention in enterprise decisions since such a seeming power transforms itself into weakness. We have experienced enough of this in the past. The power of authority should depend on skill in specifying the right strategy in public discussions and in conducting a policy that enables the successful opposition to pressure from segmentary branch, regional, professional and other interests. Only strong authority may successfully represent the general interest.

[Question] Meanwhile, the ministries are working against this. Should not the center be reconstructed?

[Answer] The further organizational evolution of the central administration will undoubtedly have to take place. However, I believe that this is not a question of simplified, mechanical reorganization by, for example, the quick elimination of branch ministries and the creation of one industrial ministry. What is needed, first of all, is to change the functions of the central economic administration; ministerial barriers have to be eliminated and the ministry should not be allowed to represent a branch of the economy before the government because it is supposed to represent the policy of the government before this branch.

[Question] The argument is often repeated that the workers' self-government is the Achilles' heel of the new system.

[Answer] I am well aware of the complaints with regard to self-government but self-government must be defended.

In the reform, one of the most important issues is work order [lad pracy]. We are operating in a political system in which we do not want to discipline work

either by means of mass unemployment or formal drilling. We want to form a democratic system which takes into consideration the interests of the worker to the same extent that it does economic interests. And this goal cannot be attained without self-government, which should play a principal role in the understanding by the work force of the problems of their plant in building a sense of responsibility among them for the results of their common work. Naturally, self-government is not supposed to replace enterprise management in making managerial decisions. This would be nonsense.

Good wages should be associated with good work. Everyone knows that we have great difficulties with creating a bond between wages and work results. In order to achieve this, the economy must be filled with a sense of responsibility for the results of work activity of the entire enterprise as well as of every working post. In a word, what must prevail is that which we call a work ethic. Self-government is indispensable for all of this.

[Question] I have doubts whether the striving for this work and wage order is adequately incorporated into the institutional solutions.

[Answer] There is nothing strange about the fact that it is very difficult to attain this cohesion, which did not exist for many years, particularly during the period of inflation, therefore, a period of understandable pressure and wage demands. However, efforts in this direction are being exerted and are partially successful. Institutional wage systems, which frequently are not ideal but which require improvement and strengthening because they give positive results, are conducive to the creation of motivational interrelationships between wages and work results. Collective work systems in a new form should serve the shaping of the proper wage relations between various professions. However, I do agree that we have great difficulties and problems to solve in this are.

[Question] In the beginning we were afraid of economic cannibalism; i.e., the allocation by enterprises of larger sums for wages than for development. However, it did not come to that. At the same time, we are observing the influx of wage funds from various sources other than the actual results of work.

[Answer] Where there is room for pressure, there is also room for making concessions. We have a structure which is monopolistic to a large extent; we have many manufacturers who are "the only ones" that produce various goods and this means that it is very difficult to effectively oppose their demands for various reliefs and priority treatment. It is necessary to grapple with this. For that reason, we must aim for the reconstruction of this structure. For the time being, it should be agreed that giving in excessively to tendencies expressed by reaching out for the money in the budget is always a setback for the reform.

[Question] Are there perhaps not more of these setbacks?

[Answer] The process of reforming is a battle; the clashing of various trends. Therefore, there are battles that are lost. However, a setback occurs when a

monopolistic structure becomes strengthened or when a new one forms. It is a setback when we are not successful in eliminating controls where they are not neded. Phenomena associated with wage bidding [przetargi] are a setback. However, lost battles in connection with phenomena that are in opposition to the direction of reconstruction are normal. They do not change the fact that it is necessary to go forward.

[Question] I suspect that it is on the basis of this that the opinion is formed that the initial dynamic force has disappeared.

[Answer] What dynamic force? Perhaps this is the impression received from the initial euphoria, from expectations that everything will change easily and in a flash. Economists have warned about giving in to this euphoria even in the columns of your weekly. It may be assumed that the initial dynamic force was expressed in that a new legal system arose very quickly. But, after all, it is evident from the very beginning that the creation of a new law is merely the building of a foundation and nothing more. The real progress of the reform is in the change in the everyday actions of people occupying various positions in enterprises, in the banking system, in the central administration, etc. I have not seen any initial dynamic force in this regard because such a change is not achieved so easily, especially when so many situational obstacles are a part of life. When the creation of a new legal system ended, the awareness started to grow--which did not exist in the beginning--that the process of reforming is very difficult and complicated and one in which it is necessary to strengthen the conditions that would make people act according to the new system. Meanwhile, it appears that the more you learn the less you know ["im dalej w las, tym wiecej drzew"]. This saying fits very well here.

[Question] Therefore, in sum, what are the successes besides the fact that the awareness of the difficulties involved in the reform is growing.

[Answer] The course to date of the reformation process does not entitle one to be satisfied. We would like to see a considerably more advanced transformation. However, we cannot disregard that which has already been changed in the principles of the functioning of the economy. We have segments and branches in which the reform functions more visibly than elsewhere, especially there where monopolistic structures do not stand in the way because they did not exist there or because they have been eliminated. There are segments in which we have reached an equilibrium of supply and demand and even in which a limit to the demand has appeared. This is conducive to the functioning of economic mechanisms in favor of efficiency and innovation, although in these cases the reactions of enterprises are often not immediately the kind one would expect. If they can obtain subsidies or tax relief, they prefer them to trying to obtain a reduction in costs.

[Question] The feeling is prevalent that enterprises have an overly large range of incentives. As a result of this, real priorities--exports, for example--become lost in the deluge of secondary ones or those of lesser importance.

[Answer] There is some truth to that. However, it is difficult to generalize. It is true that there are too many reasons of various sorts for obtaining preferential treatment. Their number has to be reduced to give greater strength to the principal priorities, e.g., exports. However, we should not forget that enterprises often find themselves in truly difficult circumstances not having at their disposal sufficient funds for modernization and development. They cannot be overburdened with financial encumbrances because consequently this can easily lead not to an increase but a reduction in the budget revenues which ultimately depend on the growth rate of production. The economy has to be balanced not by weakening the incentives of production growth but by strengthening them.

[Question] Do you agree that the primary obstacle in ushering in the reform is inflation and instability?

[Answer] Undoubtedly, yes. In any case, this is the principal obstacle not only for the reform but for the proper functioning of the economy in general. That is why so much depends on whether we will be successful in accelerating the process of attaining stability. I feel that under the current conditions, stability cannot be attained in one giant leap overnight. However, this process cannot be drawn out too much because this undermines its results, has a weakening effect on the economy and contributes to the worsening of the social climate.

The attainment of stability, above all, requires the strengthening of factors that have an effect on production growth and ultimately, on the flow of consumer goods to the marketplace. However, stability cannot be attained in a short period of time in this way alone. These actions have to be reinforced with price increases. This is a sad fact that cannot be concealed.

The struggle with inflation is indispensable, but essentially it depends on balancing the market. Curbing inflation cannot be based on fiction. If under conditions of imbalance, prices are artificially maintained on a lower level, there cannot be a well-functioning market. This results in long lines and elbowing one's way to get to the goods. What good are prices maintained on a certain level and real wages that are officially rising when at the same time, the market is not functioning and goods are not available. We have experienced such a period. That is why it is necessary to understand that the statistical index of real income and the rate of inflation is not the most important indicator. The most important gauge of economic improvement is the supply of consumer goods in stores.

[Question] However, such a solution requires public approval.

[Answer] I feel that the public as a whole is against long lines for goods and is for a stable market. Long lines mean lost time, speculation and injustice. Only those who are able to take care of things "on the side" do not mind lines. There are quite a lot of such people but they do not dominate. I believe that a majority of the public does not want lines and wants to have an orderly and well-functioning market even at the cost of expensive goods. The high cost of living is always relative, if only one can earn enough.

[Question] Such logic does not always win.

[Answer] Because of the strong pressure from those who deal in "taking care" of things ["zalatwiacze"].

[Question] And perhaps this is dictated by the fear that a rational solution will in fact transform itself into a drain [drenaz] on the market.

[Answer] I am taking this concern into account. However, it is not possible to run away from economic logic in the long run. If today we do not allow prices to rise by approximately 10 percent, tomorrow we will be forced to allow for a two and three times higher increase. In private life, we also frequently put off till later various unpleasant matters. This is psychologically understandable. In our economic situation, we cannot postpone any unpleasant actions--neither price increases nor the tough introduction of economic constraints and the closing of umbrellas protecting various economic elements. If we are going to drag this activity out over the years, the instability will simply destroy us.

[Question] Some people feel that this situation is like a ball and chain around our feet. Thus, we shall continue taking tiny steps, sometimes two steps forward and one back, in the direction of the model outlined in KIERUNKI.

[Answer] The transformation of the economic system is not a mechanical process but a social one. In this social process, a battle is going on between conflicting interests. Therefore, it is normal and natural that we are dealing with conflicting phenomena and trends. That is why steps back are also possible. We must struggle to make sure there are as few of them as possible.

[Question] Therefore, will the range of self-regulation expand in the very near future?

[Answer] I do not want to make predictions. I do not know whether it will expand but I do know that it should expand as soon as possible. It is necessary to strengthen the ability, the skill and the possibility of state enterprises to react quickly to market signals--not against central strategy but in support of it. For this reason, it is necessary to definitively accelerate all activity aimed at putting order into the price system, at moving away from the so-called expensive price formula, and at activity based on the elimination of inefficient economic units. To this end also, it is necessary to resolutely make accessible to directors the opportunity to use the right to take risks and to make independent decisions. Briefly speaking, it is necessary to usher in the reform to everyday practice more daringly and rapidly. This cannot be postponed till later. We must go forward more boldly and more decisively along the course laid out by the resolution of the 10th Congress. There is no reason to change the course direction. It is only necessary to improve the methods of moving forward.

[Question] Therefore, you believe that we shall move more boldly?

[Answer] We must because this is becoming more and more clearly a condition for success. However, we must free ourselves from all of these encumbrances and restrictions, including intellectual ones, and struggle for a decisive acceleration of the processes of reformation, balancing the economy, and structural changes which are commonly termed restructurization. Our future depends on these three "R's" [reformowanie, rownowazenie, restrukturyzacja].

[Interviewer] Thank you for the discussion.

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YUGOSLAV-ALBANIAN RAILROAD PROJECT COMPLETED

Hopes for Normalization of Relations

Paris LE MONDE in French 7 Aug 86 p 4

[Article by Thomas Schreiber: "Albania Will Be Linked to the European Rail System Through Yugoslavia"]

[Text] The railroad linking northern Albania to the European rail system, through Yugoslavia, goes into operation this week. The inaugural ceremony took place on Wednesday, 6 August, south of Titograd, the capital of Montenegro, in the presence of an Albanian Government delegation.

Since 1979, the construction of this 55-km line (including 25 km in Yugoslav territory) has become both an economic and political matter. Two years after the signing of the protocol specifying the practical methods of executing the project, the increasing tension between Belgrade and Tirana in regard to the situation of Yugoslavs of Albanian origin, the majority of the Kosovo region, seriously affected bilateral relations. Added to this was the fact that the leaders of the republic of Montenegro, over whose territory the Yugoslav portion of the Shkoder-Titograd line was to pass, used the excuse of financial difficulties to delay the work. Moreover, they explained, this railroad project is mainly of interest to the federal government. After long and delicate negotiations between Belgrade and Titograd, solutions were finally found to permit the re-opening of the construction sites beginning the middle of last year. On the Albanian side, the construction-carried out, in part, by "brigades of volunteers"--was completed in December 1984 and the portion of the railroad was inaugurated the following month.

Thus Albania (where the first railroad line dates back to 1947!) is now connected to the European rail system. Of course, the country is not completely isolated. A ferryboat service operates between Durres and Trieste (it was inaugurated in December 1983); aircraft of five airlines (Hungarian, Romanian, Greek, Yugoslav, and Swiss) land at the Tirana airport once a week; Albanian trucks travel on European highways. But from now on, thanks to the new railroad line, Albanian merchandise will be able to be transported over the European rail system. Passenger service is not anticipated at the

beginning but possibly the authorities will change their minds on the basis of the development of tourism--which is still at a low level at present. The only thing remaining is to observe any political "repercussions" resulting from the emergence of Albania from its enclave.

At the present time, bilateral relations are poisoned by well-known political and ideological differences, complicated by the existence of a very large Albanian population in Yugoslav Kosovo, but on both sides, the desire is expressed (and not only in private conversations with journalists passing through the area) for the normalization of relations at the government level between the two neighboring countries "which have had a similar fate in history and which do not belong to any military alliance dominated by a superpower."

One thing remains certain: the maintaining of tension between Belgrade and Tirana runs the risk of causing destabilization in the Balkans. Under these conditions, any practical result of Albanian-Yugoslav cooperation is quite encouraging news.

Contacts of Rail Employees, Journalists Limited

Paris LE MONDE in French 8 Aug 86 0 4

[Article by Paul Yankovitch: "Yugoslavia: "The Inauguration of the Railroad to Albania--An American Locomotive in the Titograd Station"]

[Excerpts] From our correspondent in Belgrade--The ceremony inaugurating the new railroad linking Albania to Yugoslavia--and to the rest of Europe--took place on Wednesday, 6 August, at the Titograd station in the presence of Mr Pijakic, Yugoslav minister of transportation, and a significant Albanian delegation headed by Mr Faik Cinaj, member of the Presidium in Albania. It did not have the character of a mass demonstration since relations between Tirana and Belgrade have been cool since the disturbances which were stirred up in Kosovo in 1981 by "Albanian nationalists and irredentists." However, the two leaders gave conciliatory speeches without referring to their present and past differences, and they expressed the wish that their countries "would develop economic collaboration in the mutual interest."

The new Titograd-Shkoder line includes many tunnels, bridges and works of art. Mr Pijakic implied that the Belgrade government had agreed to pay 7.5 billion dinars for this project. At a time when Yugoslavia is experiencing a serious economic crisis, this is, he said, a proof of its willingness to develop good neighbor relations with Albania. However, the railroad is of only limited economic interest for Belgrade. If need be, it would be used to attract tourists, but on the condition that they will be able to continue their trip into Albania. But we know that this country only admits carefully selected foreign visitors.

After the ceremony at the Titograd station, the Yugoslav and Albanian officials got into the first train which departed in the direction of Shkoder and

which, one-half hour later, stopped into a sort of "no man's land" between the Yugoslav border point of Rozaj and the Albanian border point of Han i Hotit. On board the train were a dozen or so foreign press correspondents who had come by airplane from Belgrade and were authorized to get off the train at Han i Hotit and to spend a few minutes on Albanian territory but not to go, as they had hoped, to Bajze, the first Albanian station, 5 km further. This refusal was explained by the fact that the Albanian portion of the railroad had been inaugurated a long time ago and there was no thought of starting the ceremony again. The foreign journalists said that the Yugoslav diesel locomotive which pulled the train was manufactured by an American company.

The new line was constructed in accordance with international norms for speeds of 100 km per hour and a weight of 20 tons per axle. The timetables have not been prepared yet. But it is known that, at the express demand of Tirana, the Yugoslav locomotive will have to be disconnected at Bajze, the first Albanian station, and to return to Yugoslavia even if it does not have any car to pull. The Albanian locomotive will be disconnected at the first Yugoslav station, Tuze. It is obvious that the authorities in Tirana were trying, in this way, to limit to a minimum the personal contacts between railroad employees of the two countries. The Yugoslavs think that the new railroad will ensure Albania an annual traffic of 700,000 tons to 1 million tons of merchandise, in particular exports of chrome ore and certain other raw materials, agricultural products, meat, vegetables and fruit to the countries of Central Europe and the Danube countries and, of course, to Yugoslavia.

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CSO: 2900/9

ZHIVKOV, GUYANA'S CHEDDI JAGAN HOLD TALKS

AU251925 Sofia BTA in English 1750 GMT 25 Jul 86

[Text] Sofia, July 25 (BTA)--Mr Todor Zhivkov, secretary general of the Central Commitee of the Bulgarian Communist Party, met today with Dr Cheddi B. Jagan, general secretary of the People's Progressive Party in Guyana.

The two leaders briefed each other on the two parties' work. Mr Todor Zhivkov dwelt in detail on the peace initiatives advanced by the party and the government in their foreign political activities and seeking the promotion of mutually advantageous cooperation in the Balkans and in Europe and the establishment of a nuclear- and chemical-weapon-free zone in the Balkans.

The two leaders noted with concern that as a result of the U.S.-pursued adventuristic line of overarmament and confrontation, the international situation continues to be exceedingly strained and dangerous. In this connection, they expressed their support for the scopeful and realistic peace initiatives of the Soviet Union and the other socialist countries, aimed at an improvement of the international climate, at strengthening peace and at averting the danger of a nuclear war.

Mr Todor Zhivkov and Dr Cheddi B. Jagan condemned the U.S. aggressive policies in Central America and the Caribbean, which pose a tangible threat not only to peace in the area but also to world peace in general. They condemned Washington's provocative actions against revolutionary Nicaragua and voiced support for the constructive proposals of the Nicaraguan government for a peacful settlement of the Central American conflict within the framework of the Contadora Group peace process. The two party leaders reiterated the solidarity of the Bulgarian Communist Party and the People's Progressive Party of Guyana with the peoples fighting for national and social independence, for democracy and progress.

The two parties expressed their readiness to persevere in the promotion of their fraternal ties, as well as their determination to consolidate further the unity of the international communist and workers' movement on the basis of the principles of Marxism-Leninism and proletarian internationalism.

The meeting was attended by Mr Dimitur Stanishev, secretary of the CC of the BCP.

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CSO: 2200/155

ZHIVKOV RECEIVES MARTINIQUE CP LEADER

AU281520 Sofia BTA in English 1357 GMT 28 Jul 86

[Text] Sofia, July 28 (BTA)--Today Mr Todor Zhivkov, secretary general of the Central Committee of the Bulgarian Communist Party, met Mr Armand Nicolas, secretary general of the Parti Communiste Martiniquais (P.C.M.), who is holidaying in this country.

Mr Todor Zhivkov told him about the work of Bulgarian communists and all working people in Bulgaria for the successful implementation of the decisions of the 13th BCP Congress on a qualitatively new socialist economic growth and on the ever fuller satisfaction of the people's material, intellectual and social requirements. He spoke about Bulgaria's peaceloving foreign policy and dwelt more specifically on her efforts towards turning the Balkans into a nuclear and chemical-weapon-free zone, into a region of good-neighborliness and cooperation.

Mr Armand Nicolas briefed his Bulgarian host on the Martinican communists' struggle in defence of the working people's vital interests, about the activity of the Martinican Communist Party (P.C.M.) aimed at uniting the efforts of the patriotic and progressive forces in Martinique in defence and for the promotion of that country's democratic acquisitions. He commanded highly the successes scored by the Bulgarian people in building the advanced socialist society.

Having noted that as a result of the U.S. militaristic line the situation in the world remains alarming, the two party leaders expressed unqualified support for the constructive and realistic peace initiatives advanced by the U.S.S.R. and the other socialist countries for an overall improvement of international relations.

Mr Todor Zhivkov and Mr Armand Nicolas categorically condemned the aggressive policy of North American imperialism in Central America and the Caribbean, which entirely disregards the inalienable rights of the peoples inhabiting that part of the world to free and democratic development, to sovereignty and self-determination. They reiterated the unshakable solidarity of the BCP and the P.C.M. with heoric Nicaragua and with all peoples fighting for national and social independence, for democracy and social progress.

They expressed the two parties' reciprocal desire for a further promotion of their fraternal ties on the basic of Marxism-Leninism and proletarian internationalism.

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CSO: 2200/155

URUGUAY'S IGLESIAS ISSUES PRESS STATEMENT, DEPARTS

AU241244 Sofia BTA English 1110 GMT 24 Jul 86

["Uruguay is for Peace and Cooperation -- BTA headline]

[Text] Sofia, July 24 (BTA)--"Uruguay is for peace and cooperation, for disarmament and strengthening of security in the world," Mr Enrique Iglesias, minister of foreign affairs of Uruguay, who was here on an official visit, told journalists before his departure that all problems in the world must be tackled through dialogue and by political means. The guest spoke in support of the idea to establish nuclear-free zones in different parts of the world, Latin America included. He noted the significance of the initiative to establish a nuclear-free zone in the southern Atlantic, promoted by Argentina, Brazil and Uruguay.

The foreign minister spoke about the rights of all peoples to self-determination and condemned the attempts at interference in other countries' internal affairs. He said that Uruguay is following with great concern the developments in Central America and that his country supports the efforts of the Contadora Group on the peaceful settlement of the crisis in this part of the world.

Mr. Enrique Iglesias assessed the relations between Bulgaria and Uruguay as promising and expressed satisfaction over his talks here. He stressed on the prospects for the broadening of the trade, economic and techno-scientific cooperation with special attention paid on the ties in the fields of the chemical and pharmaceutical industries and agriculture. The Uruguayan foreign minister hopes that Bulgaria will be Uruguay's starting point towards the markets of the other socialist states. According to him nothing can ever be gained through the use of force.

The guest then went on to speak about the situation in Uruguay, the government's efforts at restoring democratic freedoms, about the economic difficulties resultant from the growing foreign debt and the policies of the developed capitalist states towards his country. He believes that the integration of the Latin American states will be one of the ways to solve the continent's common problems.

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CSO: 2200/155

OBSERVER VIEWS 'POSITIVE' RESULT OF GENSCHER'S USSR VISIT

AU231140 Sofia BTA in English 1034 GMT 23 Jul 86

["The Possibilities of Political Dialogue"--BTA headline]

[Text] Sofia, July 23 (BTA political observer Nancho Khranov)--The visit of the vice-chancellor and minister of foreign affairs of the Federal Republic of Germany Mr Hans-Dietrich Genscher to Moscow was one of the series of dialogues of the Soviet Union with the largest and most pretigious West European countries.

What is positive is that this dialogue revealed new and interesting aspects of the understanding that the European countries are capable of working together for the establishment of a climate of trust and cooperation on the continent. And at the current responsible stage in modern international relations, honest cooperation among the European states of the East and the West can considerably contribute to bringing international relations into the normal channel of peaceful co-existence and to curbing the arms race.

The dialogue between the USSR and the FRG gave prominence to the issues of war and peace, to East-West relations and to the prospects before bilateral relations. It was only natural for the question to arise of the possibilities of the Federal Republic of Germany as a large and prestigious West European country in the limiting and reducing of armaments and in the resolution of the pressing problems related to decreasing confrontation in the international field.

It was with justification that the Soviet side noted the inconsistency of the policy pursued by the Bonn government. On the one hand it is making general declarations of a peaceful and responsible stand on the burning issues of our times, and on the other it actually supports Washington's military course. And this support is related above all to such fateful issues as the "Star Wars" project and Washington's negative attitude to the elimination of the medium range missiles from Europe.

There is an explanation for this policy of the FRG, it is linked to the contradictions in the Christian-Liberal coalition, as well as to the increasing pressure of the reactionary-military circles in the Christian Democratic Union -- the party of Chancellor Kohl -- itself. But these explanations cannot justify the main contradiction between this course and the interest of the people of the FRG--to avoid the nuclear apocalypse in Europe and in the world.

In connection with this, we cannot but recall the positive contribution made by the FRG during the 70's through the Eastern policy of the Brandt-school government, through the signing of the Moscow treaty -- an expression of political foresight, decisiveness and innovation. And the present period requires even more good will, which should raise the politicians above prejudices, distrust and fears.

In this respect, the talks in Moscow have gone beyond the development of the bilateral relations between the USSR and the FRG and bear definite significance for the stabilization of the European climate. Here we should recall Mikhail Gorbachev's words, expressed during his meeting with Mr Hans-Dietrich Genscher, that the responsibility of the Soviet Union and of the Federal Republic of Germany for the construciton of the "European house" did not mean that they should violate their loyality to the military and political alliances they belong to. The Soviet policy is realistic and constructive and it has noting to do with the propaganda cliches in the West. That is why the words of the general secretary of the CC of the CPSU showed great responsibility. The violation of the established political and territorial structure in Europe would only lead to chaos and deterioration of the situation.

What is most important at present, and it was stressed these days in Moscow, is that each European country from the East and from the West, large or small, should make a real contribution to the healing of the situation, to detente and disarmament. It is the FRG that has great unexploited potential in this direction.

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CSO: 2200/155

BTA COMMENTATOR ON GORBACHEV'S VLADIVOSTOK SPEECH

AU291022 Sofia BTA in English 0836 GMT 29 Jul 86

[Text] Sofia, July 29 (BTA Commentator Ivan Gaytandzhiev)--Now that international relations are at a crossroads, concrete deeds, resolute moves are needed more than ever before for an improvement of the international climate.

With its latest initiatives, set forth by the secretary general of the CC of the CPSU in his Vladivostok speech, the Soviet Union has convincingly reaffirmed its goodwill and its steadfast search for strengthened world peace and security.

"The Soviet state calls on all Asian and Pacific countries for cooperation in the name of peace and security. Every one who is seeking to attain these goals, who relies on a better future for one's people, will find in us well-meaning negotiators and honest partners."

This woodwill appeal is concretized in decisions, proposals and initiatives which bear witness to the Soviet Union's sincere and profound concern for mankind's destinies. The suggestions contained in Michail Gorbachev's speech from a wide-ranging program for the consolidation of peace in Asia, the Pasific basin and the world as a whole, for the establishment of an all-embracing system of international security. What is particularly valuable in these proposals is that they come complete with outlines of specific ways for their implementation.

Mr Mikhail Gorbachev's speech analysis in accurate and clearcut terms the present-day situation in Asia, where the problem of survival is as acute and pressing as in all the other part of the world. One of the pivotal components in the U.S.S.R.'s foreign political strategy, as worked out at the 27th CPSU Congress, is the idea of establishing an all-embracing system of international security. This idea was now further elaborated in the number of specific proposals concerning Asia and the Pacific.

The fraternal socialist countries' line towards asserting the principles of peaceful coexistence, towards understanding and cooperation, towards strengthening peace and security to the benefit of all peoples, stood out in Mr Michail Gorbachev's speech as a thoroughly realistic, constructive and promising policy. Hence, it is only logical that the Soviet party leader's remarks were met with particular satisfaction by the Bulgarian public, by progressive and honest people on earth who welcome the Soviet Union's goodwill and its firm and consistent position on settling the pressing international issues.

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CSO: 2200/155

SYRIAN MUFTI PRAISES 'RELIGIOUS FREEDOMS'

'No Complaints' From Bulgarian Imams

AU241949 Sofia BTA in English 1610 GMT 24 Jul 86

[Text] Sofia, July 24 (BTA)--"In Bulgaria I visited some towns and villages in which Moslems live and I was glad to see that they enjoy all religious freedoms and can perform their religious rites in their mosques", the grand mufti of Syria, Ahmad Kuftaru, said before journalists. He is paying a visit here at the invitation of the Chief Mufti's Office of the Moslems in Bulgaria.

As the Syrian grand mufti pointed out, the Bulgarian imams have informed him that their religious freedoms have been guaranteed both by the Constitution and practice.

"I have heard no complaints from them as regards their religion freedoms and their right to perform their religious rites", Mr Ahmad Kuftaru said.

Speaking of the impressions of his visit and of religious life in Bulgaria, Grand Mufti Ahmad Kuftaru noted that he was given the opportunity to lead a Friday prayer at the Sofia Mosque: "The Bulgarians professing Islam prayed with me after which I read the Friday sermon", he said.

By way of conclusion Mr Ahmad Kuftaru expressed his happiness over the progress of friendly Bulgaria.

Mufti Received By Kubadinski

AU242021 Sofia BTA in English 1732 GMT 24 Jul 86

[Text] Sofia, July 24 (BTA)--Today, Mr Pencho Kubadinski, chairman of the National Council of the Fatherland Front, received the grand mufti of Syria, Ahmad Kuftaru, who is paying a visit to this country at the invitation of the Chief Mufti's Office of the Moslems in Bulgaria.

The friendly talks discussed issues of Bulgaro-Syrian cooperation. The guest noted his excellent impressions of the visit. It was pointed out that in the two countries the conditions of social justice afford freedom to religion. It was emphasized that the successful development of bilateral relations is a contribution to international understanding and to the cause of peace.

The meeting was attended by Mr Boril Kosev, member of the state council, and by Chief Mufti Miran Topchev.

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CSO: 2200/155

BRIEFS

COOPERATION PROTOCAL WITH NIGERIA--Sofia, July 25 (BTA)--The signing of a protocol on cooperation marked the completion of talks here today between Mr Aleksandur Petkov, chairman of the Central Council of the National Agro-Industrial Union, and Gen Alani Akinrinade, Nigeria's federal minister of agriculture, water resources and rural development. In the course of five days the Nigerian guest, who led a delegation of agricultural officials to this country, was familiarized with Bulgaria's successes in various fields and with the tasks which the Bulgarian people carry out in their efforts towards a qualitatively new economic growth. In the documents signed today the sides express their desire to introduce new forms so as to diversify their interaction in agriculture. They outline the areas of cooperation in the design and building of irrigation systems, in the construction of storehouse facilities, in the training and exchange of experts. During his visit, Gen Alani Akinrinade visited outstanding research, development and design institutes and agro-industrial complexes. Today he was received by Mr Grigor Stoichkov, deputy chairman of the Council of Ministers. They analyzed the possibilities for an expansion of Bulgaro-Nigerian business and techno-scientific cooperation. [Text] [Sofia BTA in English 1755 GMT 25 Jul 86 AU] /12624

ZHIVKOV RECEIVES FINNISH ENVOY--Sofia, July 24 (BTA)--Receiving the credentials of the newly appointed ambassador of Finland to Bulgaria, State Council President Todor Zhivkov said that the relations between the two countries are deeply rooted in history and that in the past few years these have been undergoing an upgrade development. He noted that last year's visit of the Finnish president to Bulgaria which confirmed the readiness of the two countries to promote mutually advantageous cooperation, including in the economic sphere, greatly contributed to the development of Bulgaro-Finnish relations. The Bulgarian state leader pointed out that the guaranteeing and consolidation of peace on the planet is a principal task of Bulgaria's foreign policy. He expressed concern over the fact that the international situation has deteriorated greatly over the last few years. Therefore the ideas for establishing nuclear-weapon free zones are acquiring special importance and Bulgaria and Finland are devoting great efforts to the realization of these ideas. On his part the newly appointed Finnish ambassador, Mr Klaus Kristian Snellman, assessed bilateral relations as traditionally good. A wide system of agreements between Finland and Bulgaria is now in operation. He recalled the fact that Bulgaria was the first East European state with which Finland signed an agreement for the abolishment of customs duties in bilateral trade and a treaty for mutual defence and encouragement of investments. [Text] [Sofia BTA in English 1600 GMT 24 Jul 86 AU] /12624

TRADE UNION DELEGATION IN CHINA--A delegation of the Central Council of the Bulgarian Trade Unions led by Mr Kosta Andreev, secretary of the Central Council, visited the People's Republic of China at the invitation of the All-China federation of Trade Unions. The delegation had meetings and talks with the leadership of the Chinese trade unions and with local trade unionists and workers in the field of economy in the cities of Shenyang, Tianjin and Shanghai. At the talks in Beijing with Mr Wang Xun, secretary of the Alichina Federation of Trade Unions, and in Tianjin with Mr Ni Zhifu, chairman of the federation, both sides exchanged information on the structure and activity of the trade unions in the two countries and on the tasks of the Chinese trade unions in the conditions of the economic reform of that country. [Text] [Sofia BTA in English 1742 GMT 4 Jul 86 AU] /12624

JOINT SOVIET TRADE UNION COOPERATION--The Ten days of Bulgarian-Soviet Trade Union Cooperation for high quality and efficiency on the path of scientific-technical progress commenced yesterday in Bulgaria. Labor collectives from enterprises, economic trusts, scientific research and planning-design institutes, and technological and other organizations joined actively and on a wide front in the event. Representatives of the "Production-Economic" Department of the All-Union Central Council of Trade Unions of the USSR were the guests of the Plovdiv Okrug Bulgarian Trade Union Council. In a number of enterprises in Sofia and in the okrugs meetings were held devoted to Bulgarian-Soviet trade-union cooperation, as well as discussion meetings with brigades and participants in the movement "The Hero is Always in the Ranks." Exhibitions were opened showing the Soviet Union of the present day. In the plants making products for the Soviet Union, the central theme of the 10-day event is the raising of the technical standard and quality of products, on the basis of applying leading Bulgarian and Soviet experience. [Excerpts] [Sofia RABOTNICHESKO DELO in Bulgarian 2 Jul 86 p 2 AU] /12624

JOINT SOVIET ENGINEERING--Sofia, July 2 (BTA)--The machine tools bearing the "IS" trade name, designed and produced by the newly established "Ivanovo-Sofia" Bulgario-Soviet Science and Production Enterprise, will be shown for the first time at this year's autumn international fair in Plovdiv. The Bulgarian machine-tools enterprise has maintained cooperation with Soviet organizations for many years. Until now however, the design and production operations were slow. Now the cooperation with the Soviet counterparts is direct and unemburdened by the intermediation of the respective ministries. The Bulgarian and the Soviet works are exporting their products to over 25 countries. The uniting of the techno-scientific potential and production capacities would allow for a considerable increase of the output and the rapid transference of new inventions. The basic idea is to limit the period of time between the appearance of the idea and the full-scale production of the machine to less than a year. The first attempt was successful. The Soviet experts offered the Bulgarian "Metalik" works the design of their latest machine, the "IR 200," and its production started after four months only. [Excerpts] [Sofia BTA in English 020720 AU] /12624

BCP CC DELEGATION RETURNS FROM SPAIN--A delegation of the BCP Central Committee, headed by Boyko Dimitrov, member of the BCP Central Committee, returned from Spain yesterday. The delegation had attended the traditional holiday of the daily MUNDO OBRERO, the organ of the Spanish Communist Party. The delegation met Gerardo Iglesias, general secretary of the Spanish Communist Party, with whom opinions were exchanged on the intensificiation of friendly relations between the two communist parties. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 10 Jun 86 p 6 AU] /12624

INTERNATIONAL PHILOSOPHY CONFERENCE--Varna, 9 June (BTA)--The 14th session of the International Varna Philosophy School, named after Academician Todor Pavlov, opened here today. Delegates from Bulgaria, Vietnam the GDR Cuba, Mongolia, Poland, the Soviet Union, Hungary, and the CSSR are participating in the session. The main subject of the session is dealing wtih the problems of man in the contemporary world. The session of the varna Philosophy School will last through 13 June and will include discussions and round table talks. [Excerpts] [Sofia RABOTNICHESKO DELO in Bulgarian 10 Jun 86 p 6 AU] /12624

UNESCO BALKAN CONFERENCE--The 12th Conference of the national UNESCO commissions from Talkan countries will be held in Sofia from 10 through 12 June 1986. According to an almost 25-year-old tradition, these conferences take place every 2 years in different Balkan countries. The People's Republic of Bulgaria will host the conference for the third time. Delegations from the SR of Romania, the SFRY, Greece, and the People's Republic of Bulgaria, as well as a representative of the UNESCO director general will participate. The participants in the conference will map out specific measures for the development of Balkan cooperation in the fields of education, science, and culture, in seismology, and in environmental protection, as well as in the development and in the expansion of cultural exchange. The conference will adopt a closing document mapping out specific new forms of cooperation in mutual interests, as regards the research, analysis, and solution of common problems in the sectors of education, culture, and communications. [Excerpts] [Sofia RABOTNICHESKO DELO in Bulgarian 5 Jun 86 AU] /12624

TANCHEV, ROMANIAN DELEGATION--Petur Tanchev, secretary of the Bulgarian National Agrarian Union and first deputy chairman of the State Council, yesterday received a delegation from the National Council of the Socialist Democracy and Unity Front of the Socialist Republic of Romania led by Eduard Eisenburger, vice chairman of its National Council. A conversation was held on further development of the links and cooperation between the Fatherland Front and the Socialist Democracy and Unity Front. The parties confirmed their mutual striving to expand and deepen the traditional relations of friendship and cooperation between the two countries. It was stressed that the strongest impetus to the development of these relations has been given by the meetings between the two countries' leaders, Comrades Todor Zhivkov and Nicolae Ceausescu. The enormous importance was emphasized in the present complex world situation of the new peace proposals and initiatives of the Soviet Union and the Warsaw Pact Organization, which point out the true path for eliminating the danger of a thermonuclear catastrophe. The conversation took place in a friendly atmosphere. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 16 Jul 86 p 8 AU] /12624

YORDANOV, GDR CULTURE OFFICIALS--Georgi Yordanov, candidate member of the BCP Central Committee Politburo, deputy chairman of the Council of Ministers, and chairman of the Council for Intellectual Development, met yesterday Hans-Joachim Hoffmann, minister of culture of the GDR and Ursula Ragwitz, director of the Culture Department of the SED Central Committee, who are on holiday in our country. During the conversation, which took place in a spirit of cordiality and friendship, issues were discussed relating to the further development and deepening of the cultural cooperation between the two fraternal countries in the name of socialism and peace [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 15 Jul 86 p 2 AU] /12624

JOINT YUGOSLAV FRIENDSHIP MEETINGS--Smolcha village, Sofia Okrug, 13 July (BTA)--The traditional gathering of Bulgarian-Yugoslav friendship was held here today. The thousands of Bulgarian and Yugoslav citizens present voiced their desire to live in peace, understanding, and good-neighborliness. Artistic groups from both countries performed in a concert program. A gathering of Bulgarian-Yugoslav friendship also took place near the village of Strezimirovtsi, Pernik Okrug. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 14 July 86 p 2 AU] /12624

BULGARIAN, FRENCH VETERANS TALKS--Sofia, June 11 (BTA)--The Central Committee of the Fighters against Fascism and Capitalism in Bulgaria and the National Association of Resistance Fighters and Former Prisoners (A.R.A.C.) in France will promote their cooperation for the sake of the ideals of peace and freedom. This was emphasized at the talks held here between delegations of the two organizations, led by their presidents Dr Vladimir Bonev and Mr Casimir Lucieblot. With pronounced concern they discussed the major problems of peace, and noted unanimously that all attempts to disrupt the existing strategic balance can only lead to a still more dangerous escalation of the arms race, and that especially danger-spelling is the militarization of outer space. The two delegations expressed hope that the negotiations started by the Soviet Union and the U.S. will result in a change for the better. [Text] [Sofia BTA in English 0715 GMT 11 Jun 86 AU] /12624

BCP DELEGATION IN PORTUGAL--A BCP Central Committee working group led by Atanas Konstantinov, member of the BCP Central Committee and deputy chief of the BCP Central Committee Organization Department, paid a visit to Portugal at the invitation of the Portuguese Communist Party. The working group was briefed on the work of the Portuguese Communists in the party organizations, the mass organizations, and the local authority organs in different regions of the country. The representatives of the BCP Central Committee were received by Domingo Abramtes, member of the Political Commission of the Portuguese Communist Party Central Committee. The delegation has returned to Bulgaria. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 30 Jun 86 p 2 AU] /12624

SWISS PARLIAMENTARY DELEGATION--At the invitation of the Bulgarian National Assembly, a Swiss parliamentary delegation has arrived in Bulgaria. It will be acquainted with the activities of our parliament and with the role it plays in the country's political system. [Text] [Sofia Domestic Service in Bulgarian 1930 GMT 26 Jun 86 AU] /12624

GUINEA-BISSAU TRADE UNION LEADER--Mario (Mendez Correva), general secretary of the National Alliance of Workers of Guinea-Bissau, paid a friendly working visit to Bulgaria at the invitation of the Central Council of Bulgarian Trade Unions [BTU]. During the meeting with G. Karaulanov, secretary of the BTU Central Council, there was an exchange of information on the problems which the two central trade-union organizations are solving at the present stage. A plan was also agreed for the development of bilateral cooperation between the BTU Central Council and the National Alliance of Workers of Guinea-Bissau for the 1987-88 period. Mario Mendez Correa was also received by Petur Dyulgerov, chairman of the BTU Central Council. Satisfaction was expressed with the fruitful cooperation between the BTU and the National Alliance of Workers of Guinea-Bissau. The leaders of the two organizations confirmed their common desire for further developing and deepening the links between the workers and trade unions of Bulgaria and the Republic of Guinea-Bissau in the interest of friendship and understanding and for the benefit of peace and social progress. [Text] [Sofia TRUD in Bulgarian 3 Jul 86 p 1 AU] /12624

AFGHANISTAN'S AMBASSADOR DECORATED--On 30 July MOHAMED Seddiq Rahpoe, Afghanistan's ambassador to Bulgaria, was awarded the "Madara Horseman" Order--First Class. The high distinction was bestowed on him for his contribution to developing and strengthening relations of friendship and cooperation between Bulgaria and Afghanistan, and on his final departure from the country. The order was awarded by Mitko Grigorov, deputy chairman of the State Council. The ceremony was attended by Lyubomir Popov, deputy minister of foreign affairs. [Text] [Sofia Domestic Service in Bulgarian 1930 GMT 30 Jul 86 AU] /12624

DEPARTING MONGOLIAN AMBASSADOR--On 10 July Petur Tanchev, first deputy chairman of the State Council, received Legdengiyn Damdinjab, Mongolian ambassador to Bulgaria, in connection with his final departure from the country. On that occasion the ambassador was awarded the "Madara Horsemen" Order--first class, with which the State Council has awarded him for his merits in expanding and strengthening Bulgarian-Mongolian relations. The award ceremony was attended by Mariy Ivanov, first deputy minister of foreign affiars. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 11 Jul 86 p 2 AU] /12624

DEPARTING NETHERLANDS AMBASSADOR--Johan Faber, Netherland's ambassador to Bulgaria, has been awarded the "Madara Horseman" Order -- first class. Bestowing the decoration Mitko Grigorov, deputy chairman of the State Council, stressed that the ambassador received the award for his contribution to developing relations between the People's Republic of Bulgaria and the Kingdom of the Netherlands, and in connection with his forthcoming final departure from the country. The ceremony was attended by Lyuben Gotsev, deputy minister of foreign affairs. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 11 Jul 86 p 2 AU] /12624

DEPARTING LEBANESE AMBASSADOR--Mitko Grigorov, deputy chairman of the State Council, presented Ibrahim Marrouche, ambassador extraordinary and plenipotentiary of Lebanon to Bulgaria, with the "Madara Horseman" Order, first class. The high decoration has been conferred on him for his contribution to the development of relations between Bulgaria and Lebanon and on the occasion of his forthcoming, final departure from our country. [Text] [Sofia Domestic Service in Bulgarian 1930 GMT 26 Jun 86 AU] /12624

NEW AMBASSADORS TO KUWAIT, MONGOLIA--The State Council has released Ivan Budinov Soyanov from his post as Bulgarian ambassador to the State of Kuwait. Angel Nikolov Manchev has been appointed Bulgarian ambassador to the State of Kuwait. Krustyu Stoyanov Eftimov has been released from his post as Bulgarian ambassador to the Mongolian People's Republic. Vasil Radslavov Baev has been appointed Bulgarian ambassador to the Mongolian People's Republic. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 11 Jul 86 p 2 AU] /12624

ZHIVKOV RECEIVES UK, AFGHAN ENVOYS--On 24 July Todor Zhivkov, chairman of the State Council, received respectively John Michael Owen Snodgrass, British ambassador to Bulgaria, and Mohamed Seddiq Rahpoe, Afghanistan's ambassador to Bulgaria, in connection with their final departure from the country. Petur Mladenov, minister of foreign affairs, attended the receptions. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 25 Jul 86 p 1 AU] /12624

PCC DELEGATION AT VARNA MEETING--Today Varna society festively commemorated at an all-city meeting the 33d anniversary of the armed attack on the Moncada Barracks. The meeting was attended by Slavcho Trunski, chairman of the Bulgarian-Cuban Friendship Society' Strakhil Khristov, chairman of the Varna People's Council Execution Committee; and okrug and city leaders, as well as the members of the Cuban Communist Party [PCC] secretariat. A speech was made by Ani Spencheva, deputy chairman of the Bulgarian-Cuba Friendship Society and chairman of the Central Committee of the Bulgarian Teachers Union. [Text] [Sofia Domestic Service in Bulgarian 1930 GMT 25 Jul 86 AU] /12624

FILIPOV RECEIVES SOVIET TU LEADER SHALAYEV--Comrade Grisha Filopov received Stepan Shalayev, chairman of the All-Union Central Council of Soviet Trade Unions and leader of the Soviet trade union delegation. The Soviet guests were acquainted with the work of the Bulgarian Communists and the government to fulfill the decisions of the 13th BCP Congress. Stepan Shalayev gave a briefing on the contribution of the trade unions in the common efforts of the Soviet people to implement the plans of the 27th CPSU Congress. [Text] [Sofia Domestic Service in Bulgarian 1730 GMT 9 Jul 86 AU] /12624

NEW DIPLOMATIC APPOINTMENTS--The State Council has released Lyuben Vladimirov Damyanov from the post of ambassador of the People's Republic of Bulgaria to the People's Republic of Kampuchea. Leon Yosifov Berakha has been appointed Bulgarian ambassador to this country. Dimitur Yordanov Chorbadzhiev has been released from his post as ambassador of the People's Republic of Bulgaria to the Hashemite Kingdom of Jordan. Yancho Demirev

Demirev has been appointed Bulgarian ambassador to that country. Yordan Khristov Kalaydzhiev has been released form the post ambassador of the People's Republic of Bulgaria to the Republic of Lebanon. Stamat Georgiev Stamatov has been appointed Bulgarian ambassador to that country. The State Council has issued a decree releasing Atanas Iliev Chilyashev from his post as amabassador of the People's Republic of Bulgaria to the Kingdom of Denmark. Ivan Dimitrov Spasov has been appointed Bulgarian ambassador to that country. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 26 Jul 86 p 2 AU] /12624

ANGOLAN ENERGY MINISTER--Sofia, July 28 (BTA)--Mr Georgi Atanasov, member of the Politburo of the CC of the BCP and chairman of the Council of Ministries of Bulgaria, received today Mr Pedro Van-Dunem, member of the Politburo of MPLA and minister of energy and petroleum of Angola. The talks centered on the state of the Bulgaro-Angolan cooperation and on the results of 6th session of the Bulgaro-Angolan Commission for Economic and Techno-Scientific Cooperation, which ended recently. The Bulgarian prime minister and the Angolan minister concretized the general directives for the cooperation to fulfillment of the decisions of the 13th Congress of the BCP and the 2nd Congress of MPLA. [Text] [Sofia BTA in English 1344 GMT 28 Jul 86 AU] /12624

IRAQI FOREIGN MINISTER DEPARTS--Tariq 'Aziz, deputy prime minister and minister of foreign affairs, who has been here on an official visit, has departed form Bulgaria. At Varna airport he was seen off by Ivan Genev, deputy minister of foreign affairs, and by leaders of the okrug and city of Varna. [Text] [Sofia Domestic Service in Bulgarian 1730 GMT 24 Jul 86 AU] /12624

TRANSPORT MINISTER VISITS SFRY--Belgrade, July 24 (BTA correspondent)--Mr Vasil Tsanov, Bulgaria's minister of transport, paid an official visit to Yugoslavia at the invitation of Mr Mustafa Pljakic, chairman of the Federal Committee for Transport and Communications. They discussed questions of cooperation between the two countries in transport and on the possibilities for its further promotion and expansion. Mr Vasil Tsanov was received by Mr Janez Zemljaric, vice-president of the Federal Executive Council, and he met Mr Desimirjeftic, president of the Executive Council of the Socialist Republic of Serbia, and members of the Executive Council of the Socialist Republic of Slovenia. The Bulgarian minister visited transport facilities in Serbia and Slovenia. [Text] [Sofia BTA in English 1400 GMT 24 Jul 86 AU] /12624

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CSO: 2200/155

FIRST INNER-GERMAN PARTNER CITY AGREEMENT DRAFTED

Background Sketch

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 Jul 86 p 6

[Article signed "Ws.": "Let the People Judge Us by These Words"]

[Text] The cities of Saarlouis in the Saarland and Eisenhuettenstadt in the GDR Frankfurt/Oder Bezirk--following talks between the Saarland Minister President Lafontaine and SED General Secretary and GDR State Council Chairman Honecker--were the first communities to agree on an inner-German city partnership. At the end of April a delegation from Saarlouis, headed by Chief Mayor Henrick (SPD) and including the chairmen of all party groups represented in the Saarlouis city council, was in Eisenhuettenstadt. The draft of a "partner city agreement" was prepared there in negotiations lasting several days with a delegation of local politicians headed by Chief Mayor Sader of Eisenhuettenstadt. In September the parliaments of both cities will discuss and vote on this agreement. Delegations of the respective partner city headed by their chief mayors are to perform "a formal ratification," Chief Mayor Sader thinks. Special importance is attached to the partner city agreement between Saarlouis and Eisenhuettenstadt since more than 300 cities in the FRG have indicated to the Federal Ministry for Inner-German Relations their interest in a partner city agreement with a city in the GDR. Erlangen and Jena want to be next to start corresponding negotiations. We publish here the text of the agreement between Saarlouis and Eisenhuettenstadt with the documents belonging to it. Also reprinted is the "political creed" of the Saarlouis chief mayor, which contains the latter's ideas of the content of a partner city agreement with Eisenhuettenstadt. This paper was not accepted by the other side. A comparison with the actually adopted "agreement" shows how few of the ideas of its chief mayor the Saarlouis delegation was able to include in the partner city agreement.

Text Draft, Supporting Documents

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 Jul 86 p 6

[Text of agreement signed in Eisenhuettenstadt 25 Apr 86]

[Text] The Agreement

Partner city agreement between Eisenhuettenstadt, a city of the German Democratic Republic, and the district city of Saarlouis, a city in the Federal Republic of Germany.

The city of Eisenhuettenstadt and the district city of Saarlouis reach a partner city agreement based on the resolution of the Eisenhuettenstadt city assembly of 26 February 1986 and the resolution of the Saarlouis district city council of ...., guided by the desire to make a contribution to peace and to normal good neighborly relations between the German Democratic Republic and the Federal Republic of Germany as well as to promote friendship and cooperation between the citizens of both cities.

Within the framework of their possibilities both cities want to support the striving of the peoples for peace and security, for disarmament, detente, and cooperation. They advocate that the arms race in all fields be ended or prevented.

In this sense it is their intention to foster the political dialogue between the citizens of both partner cities and to work with all their strength for a peaceful future and for the well-being of man notwithstanding differences in social views.

In agreement with these aims and in the spirit of the principles of peaceful coexistence which are included in the Final Act of the Helsinki Conference on Security and Cooperation, in accordance with the treaty on the foundations of the relations between the Federal Republic of Germany and the German Democratic Republic, which include mutual respect for state sovereignty, equality and nondiscrimination in the relations between the two German states, as well as for the purpose of mutual acquainting and for the establishment of friendly relations between the citizens of both cities, the contracting partners agree:

--to exchange their opinion on political questions of mutual interest and to inform one another of the contribution made by the citizens of the city to peace, disarmament, and detente;

--To acquaint their citizens in appropriate form with the life and work of the inhabitants of the partner city;

--To impart information and experiences on the development of their cities and the work of the communal organs;

--To promote cooperation between communal institutions and social organizations or clubs and associations of both cities.

Concerning the concrete measures of cooperation, the meetings and materials as well as other forms of joint efforts, the partners will agree on schedules that are clear in terms of timing and they communicate with one

another in appropriate form concerning their implementation:

Chief Mayor of the City of Eisenhuettenstadt

Chief Mayor of the District City Saarlouis

The Protocol

Protocol on the results of the negotiations of official delegations of the city of Eisenhuettenstadt (German Democratic Republic) and the district city of Saarlouis (Federal Republic of Germany) in Eisenhuettenstadt from 21 to 25 April 1986.

The delegation of the district city of Saarlouis headed by the chief mayor and the delegation of the Eisenhuettenstadt city assembly headed by the chief mayor give their approval to the drafts.

--Partner city agreement between Eisenhuettenstadt, a city in the German Democratic Republic, and the district city of Saarlouis, a city in the Federal Republic of Germany;

--Annual plan for carrying out the above-mentioned agreement for the year 1986;

Possibilities for the further shaping and deepening of the cooperation between Eisenhuettenstadt and the district city of Saarlouis in the coming years

and state they will submit these drafts in the month of September 1986 to the Saarlouis district city council and the Eisenhuettenstadt city assembly for a vote.

Eisenhuettenstadt, 25 April 1986

Chief Mayor of the District City of Saarlouis

Chief Mayor of the City of Eisenhuettenstadt

Attachment to the Protocol

Attachment to the protocol on the results of the negotiations of official delegations of the city of Eisenhuettenstadt (German Democratic Republic) and the District City of Saarlouis (Federal Republic of Germany) in Eisenhuettenstadt from 21 to 25 April 1986.

Both delegations agree:

1. The costs for the stay of delegations, cultural and sports groups are borne by the respective host city.

The participants of delegations, cultural and sports groups are

accommodated in the host city in hotels or communal facilities.

2. The travel costs and the per diem of the members of the delegations, cultural and sports groups are borne by the delegations themselves.

Eisenhuettenstadt, 25 April 1986

Chief Mayor of the District
City of Saarlouis

Chief Mayor of the City
of Eisenhuettenstadt

The Recommendations

Recommendations for the cooperation between Eisenhuettenstadt and the district city of Saarlouis in the coming years

--Holding seminars and informative talks between the partner cities on current questions concerning peace and disarmament;

--Fact-finding trips to find out about positions and experiences of communal politicians on questions of economic and social policy, the importance of scientific-technical developments for the social conditions of man and for the environment, the responsibilities of the communities for the shaping of the working and living conditions, especially for the development of the housing construction, local traffic, culture, sports, nearby recreational facilities and health care.

--Topic-related exchange of delegations to find out about the social problems related to their work; this concerns labor unionists, youths, women, craftsmen, intellectual and cultural workers and other vocational groups;

--Exchange of youth tourist groups;

--Exchange of cultural groups and artists, especially for participation in the annual "Saarlouis Week" and the Oder Festivals;

--Holding of exhibitions of visual arts and photography, as well as exchange of amateur films;

--Cooperation between the museums of the cities and exchange of materials, exhibits of loans to illustrate the city history;

--Exchange of sportsmen for participation in sports festivals or competitions and of sports comparisons.

The Annual Plan

Annual Plan for carrying out the partner city agreement between Eisenhuettenstadt, a city in the GDR, and Saarlouis, a city in the Federal

Republic of Germany, for 1986.

1. Stay of a delegation of the district city of Saarlouis, headed by the chief mayor (9 persons), in the month of April in Eisenhuettenstadt to reach an understanding on the draft of the partner city agreement, on the 1986 annual plan as well as on the possibility for cooperation in subsequent years.

2. Mutual participation of a group of city councillors headed by the chief mayor in a session of the city assembly in Eisenhuettenstadt or of the city council in the district city of Saarlouis for voting on the partner city agreement.

Target date: the month of September.

3. Participation of a cultural group from Eisenhuettenstadt (about 30 persons) in the "Saarlouis Week" in early June as well as of a cultural group of the district city of Saarlouis (about 30 persons) in the Oder Festivals in Eisenhuettenstadt in the month of October.

4. Exchange of information on initiatives of the citizens of the partner city in the UN Year of Peach in the month of November. Publication on it in the media.

"Political Creed" of the Chief Mayor of Saarlouis, Henrich (SPD)

The city of Eisenhuettenstadt, border city of the German Democratic Republic, and the city of Saarlouis, border city of the Federal Republic of Germany, herewith solemnly declare their link as partners. It is the aim of this partnership to bring citizens of both cities closer to one another in manifold meetings, to create understanding and friendship and to serve peace.

The citizens of both cities and the citizens of both states belong to the community founded on descent, language and culture, which is called the "German people."

They are shaped by centuries of common cultural and political history, they know about the horrible measure of guilt and responsibility with which Germany has burdened itself in the 12 disastrous years of its history by war and persecution. They see in the partition of Europe from which all European nations suffer and in the partition of Germany a consequence of this historic guilt.

Against this background, both cities, belonging to different states and different social orders, avow a commitment of a special kind going beyond the general aim of promoting peace:

This partnership is to contribute

--so that the horizon is not narrowed by turning away from the common German history and the recognition of what Germany "owes"as a contribution to a new, better order of Europe and the world, is not made more difficult,

--that not only with regard to the past but also for the future it will be possible to speak of one German history,

--that with the avowal of the common history the will is aroused and promoted to contribute through the cooperation of both German states to a new order which is not characterized by blocs and compulsory attitudes corresponding to them, not by constant arming and counterarming, not by fear of nuclear, chemical or biological destruction, but by togetherness of the nations in solidarity,

--that the history of the Germans is again felt to be an open process in which it is important to participate, to prove oneself.

--that discouragement and resignation are no political virtues.

Let the people judge us by these words!

FRG Editor Critique

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 12 Jul 86 p 1

[Article by Dr. Peter Jochen Winters, head of the Berlin editorial staff: "Partnerships Between German Cities"]

[Text] The cities of Saarlouis in the Saarland and Eisenhuettenstadt in the GDR Frankfurt/Oder Bezirk as first communities reached an inner-German partner city agreement. At the end of April a delegation from Saarlouis, which, headed by Chief Mayor Henrich (SPD),included the chairmen of all party groups represented in the city council, prepared in Eisenhuettenstadt with a delegation of community politicians headed by Eisenhuettenstadt Chief Mayor Sader the draft of a "Partner City Agreement" of both communities. (The text of the "agreement, including the supplementary documents, was published in the 7 July edition.) In September both city parliaments are to discuss the agreements and vote on it.

Thus far over 300 cities and muncipalities in the FRG have indicated their interest in a partnership with a community in the GDR to the Federal Ministry for Inner-German Relations. But thus far at best Errlangen has a prospect to achieve the desired partnership with Jena. The GDR State Council chairman has made promises to that effect to the SPD top candidate for the Bavarian Landtag elections, Hiersemann, when the latter visited the GDR. But the GDR has also indicated that at most it is interested in such city partnerships in some exceptional cases.

The "agreement" between Saarlouis and Eisenhuettenstadt cannot be a model for future partnerships but more likely a warning example. The draft of the "agreement" with its bombastic preamble reads like an international treaty between states but not like an agreement between communities. What is being said on foreign policy questions, on peace and security policy, on disarmament, detente and the arms race by far transcends the competence of a community. Above all it is not a task of communities, invoking various provisions of treaties such as the Helsinki Final Act or of the Basic Treaty of the FRG with the GDR to aid a one-sided, distorted interpretation of these treaties.

What the Saarlouis people included in their agreement clearly shows the mark of the GDR. Since moreover the main content of the planned city partnership is supposed to consist in exchanging opinions on political questions of mutual interest--what is meant are quite obviously foreign policy questions--and to keep one another informed what contribution the citizens of the city are making for "peace, disarmament, and detente, the question arises as to the compatibility of this "agreement" with FRG national law.

Not that anyone would one to dispute the right of the Saarlouis citizens to advocate peace, disarmament, and detente. But foreign affairs, as well as defense including protection of the civilian population, according to the Basic Law, are exclusively the province of the Federal Government. The communities--as well as the Laender--have no competence whatsoever here. Thus the Saarlouis city council could not declare the city to be a nuclear-free zone. The Saarland constitution also states clearly: "To promote the welfare of their inhabitants, the municipalities fulfill all public tasks of the local community unless they are assigned by law to other agencies in the public interest." If the Saarlouis city council were to approve this partner city "agreement" with Eisenhuettenstadt in September, then it would be the turn of the Saarland interior minister as supervisory authority to act. He would have to examine the "agreement" and then presumably declare it null and void as a whole or in part.

Of the idea of the Saarlouis chief mayor that the city partnership should bring the citizens of both cities closer together in manifold meetings, to create understanding and friendship and thus to serve peace, there remains in the "agreement" at best the "political dialogue between the citizens of the partner cities." Of the profession to the common German history and the statement that the citizens of Saarlouis and Eisenhuettenstadt equally belong to "the community founded on descent, language and culture...which is called the 'German people,'" there is not a word in the "agreement."

How the eastern side concretely envisages the city partnership is shown in the "attachment" to the "protocol": "The lodging of the participants of delegations, cultural and sports groups takes place in hotels and community facilities." It is not citizens that are to come closer together in

manifold meetings, but delegations and groups that have been selected and are led. And the members of such delegations and groups are not permitted to live in private places but must remain under control in hotels or community facilities.

The Saarlouis delegation must have been out of its mind in Eisenhuettenstadt when it accepted something like that and failed to state at least once in the "agreement" that what is important above all is that citizens--individually and privately--must be able to meet if city partnerships are supposed to make any sense.

12356
CSO: 2300/454

BOOK ON NEUTRALITY OF FOUR EUROPEAN COUNTRIES PRAISED

Budapest KULPOLITIKA in Hungarian No 2, 1986 pp 134-136

[Book Review by Andras Gyuris of Janos Szabo's 'Armed Neutrality']

[Text] Janos Szabo chose an exciting subject for examination: the question of neutrality. Not many works have been published in Hungary about this peculiar phenomenon so far.

Janos Szabo examined the problem of the neutrality of four European countries: Austria, Switzerland, Finland and Sweden. He did not work out new definitions. His book provides a rich material of facts, put into a clear theoretical framework, about the peculiarities of the individual countries. In the first chapter he sums up the historical stages of the development of neutrality, its international legal conditions and interpretation, and its criteria demanded by today's international law. In the first part of the chapter he examines the evolution of geographical, historical, foreign and internal political and military political factors leading to neutrality. The second part sums up the history of the declaration of neutrality. The third part examines the individual doctrines of neutrality and the fourth part gives plenty of data about the organization and the equipment of the armies of the four countries as well as about their arms industries.

The historical surveys are very interesting as the countries under examination came to the recognition of the necessity of neutrality through very different ways. Necessity is an operative word. Austria, the "youngest" neutral country of the four, was already a declining empire during the 1st World War but it was still a great power in Europe, while in the 2nd World War it was already the puppet of another great power, of Hitler's Germany. Austria came to the recognition of neutrality as a historical solution in a short though stormy time--only four decades. In its geographical environment the economic, political and military power relations changed past recognition and this has made the country to reconsider its situation and to ensure for itself the greatest possible independence under the changed power relations. Austria has found its place in Europe. It can no longer be a great power--nor does it want to be, but it does not want its matters to be decided by others either. Neutrality brought prosperity for the country. It is now again respected but not because of its military power but because of its realistic and active policy that takes the actual possibilities wisely into consideration.

Sweden was also a great power in times past. Its power declined earlier but it found its new place also with more difficulties. In the course of its policy of five centuries and after several attempts to form alliances, at about the beginning of the last century Sweden began to take an ever more resolute stand for neutrality. The European power ambitions turned away from the northern states and thus Sweden remained neutral in the 1st World War too. During the 2nd World War it could maintain its status only at the cost of considerable concessions but with the turn of the fortune of war it was able to say no to the German demands. Due to the changes in their history, the Swedish people have not developed a uniform system of views about their own neutrality. Their status is not regulated by international obligations and guarantees but by common consent we regard their country as a neutral one. The Swedish opinion is changing at present too. This will probably not change the fact of neutrality but will surely influence its enforcement as expressed in policy.

The neutrality of Switzerland looks back upon the longest past and although it has been regulated by acts of international law only for a century and a half, due to its unbroken enforcement for several centuries it is regarded as the most stable one. Switzerland recognized as early as in the Middle Ages its special situation, the fact that its forces are not enough for power politics but due to its geographicl conditions and famous army it can successfully defend its territory. Thus Switzerland could successfully avoid the destruction of wars for several centuries and it took part in European conflicts only indirectly, through its mercenaries. The 2nd World War put the neutrality of Switzerland also to a hard test but the small republic successfully resisted every power that violated the sovereignty of the country. In humanitarian questions, however, it took several times contradictory stands and for economic considerations it was forced to make certain concessions to Nazi Germany. It is one of the peculiar features of the Swiss concept of neutrality that to a certain extent the old view survives which is manifested in foreign political questions first of all in the contradictory relations with international organizations.

The neutrality of Finland is relatively young--just like that of Austria--and the recognition of the realities after the 2nd World War had a decisive part in its development. Unlike the other three countries, Finland has never played an important role in the history of Europe. Its contemporary independence is also due first of all to the changes in external conditions. It was before the end of the 2nd World War that Finland recognized the need for a new foreign policy in order to protect the new status that ensures the peaceful development of the country. It had to take cognizance of the changes in the power relations in the region and to realize that it can preserve its sovereignty and social system only if it pursues a stable and calculable policy, and above all the fact that its security is closely connected with its relations maintained with the Soviet Union.

In addition to the above the Finnish policy of neutrality was able to realize that its status does not necessarily demand political inactivity, what is more, on the basis of the principle of confidence it can perform very active international activity.

In the case of all the four countries neutrality led to the working out of special military political concepts that take into consideration the geographical environment, the economic possibilities and the military-geographical conditions and the possibilities of their military application in the most favourable way. The results are, of course, different in the case of the four countries but there are similarities, too.

In the case of all the four countries, the natural features of the terrain are of the kind that makes an attack very difficult and does not make possible military operations carried out with the concnetration of up-to-date weapons.

Practically all of them reckon with conventional attacks but this does not mean that they exclude the possibility of the use of nuclear weapons against them. The Swiss and the Swedish armies have planned concrete measures for that case.

They set out from the assumption that the losses to be suffered by the attacker would not be commensurate with the strategic importance of the four countries, that is the enemy would have to pay a much too high price for the occupation of their territory. Austria and Finland are of the opinion that they could not realize national defence in the traditional sense of the word. Consequently, for instance Austria has not made preparations for defending its frontiers but for defending area. It makes efforts to be able to cause considerable losses to a possible aggressor by cheap but effective weapons.

The military doctrines of Switzerland and Sweden are more complicated as they have the economic possibilities needed for traditional national defence. They do not reject the concept of defending the frontiers either.

Militia-army and short training period are characteristic of all the four neutral countries. In spite of this the standard of training is high and reservists are relatively frequently called in. As regards the individual branches of service there are considerable differences from the point of view of quality and quantity alike. Although the neutral countries have developed a high standard manufacture of arms they are unable to supply their armies with the necessary quantity and quality of heavy armament. Consequently they increasingly depend on the large arms manufacturers of the world. It is characteristic that the majority of them manufacture tanks but only a part of them has been developed by the country concerned. Only Sweden is able to develop and manufacture fighting planes but it is well-known that the neutral countries have to import component parts, development results and technologies from the great powers, or to buy licences from them. Due to the points of view of profitability and to other financial causes the arms industries of the neutral countries have to export, too. Due to their status, however, this is made difficult by political and legal restrictions. In spite of this they are relatively important exporters especially in the field of some special weapons.

The last chapter of the book sums up the criteria of armed neutrality without trying to give some sort of model. On the basis of the conclusions of the book it is not difficult to discover the effect of the military political concept of the neutral countries on the birth of the concept of "alternative defence," and perhaps we cannot exclude the assumption either that neutrality will not remain a European speciality in the future.

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MIODOWICZ DEFENDS OPZZ'S PERFORMANCE

Warsaw ZYCIE WARSZAWY in Polish 28-29 Jun 86 pp 1, 3

[Interview with Alfred Miodowicz, chairman of OPZZ, by Daniela Sielska]

[Text] [Question] Until recently, the activities of the trade unions was a socially very sensitive matter. Now your movement numbers 6,400,000 members and has a voice in all of the important problems of your community. You also have an important place in the politics of our country. What was responsible for this turnaround, which was so favorable to you?

[Answer] I think that we can attribute that in large degree to the habit of belonging to a union. Furthermore, there are now many factors which seem to be personally threatening, and many people believe that the workplace provides an adequate degree of social security. The worsening labor conditions, the unceasing everyday problems also, I believe, call for a need for additional protection, and the trade unions always declared their willingness to meet all problems headon. What is more, they have the powers which make it easier for them to protect the interests of working groups and invididuals. Generally, the union movement is oriented towards developing different, let us say, social services connected with health protection, rest and culture. In this way we can ensure concrete assistance for workers, which is particularly important at a time of economic difficulties.

[Question] But in turn these difficulties to a large degree make your job more difficult.

[Answer] Indeed, they do not help us. It is not possible, for example, at this time to obtain a significant increase in wages or demonstrate that these services have been greatly expanded, nor can we ask for new entitlements for workers. Quite the opposite, many efforts must be made to retain the entitlements we already have. Actually, we are trying very hard not to lose what we now have.

[Question] That is why some union members, and sometimes even the activists, say that the present union movement is not aggressive enough insofar as the protection of workers is concerned...

[Answer] And others simply say the opposite, that we are demanding too much. Meanwhile, we are trying to maintain the right proportions between the interests of the workforce, the enterprise, and society as a whole. After

all, concern for the country or the factory lies in the interest of the workers and the citizens. But I am not saying that we are satisfied with ourselves. We have not done much as regards social expectations and needs. Also, many of our failures, and I am referring not only to the trade unions, stems from lack of imagination on the part of the people making the decisions.

For example, do the planners, in making their proposals, have to adhere so strictly to the books? It then becomes impossible to utilize the reserves which lie in the qualifications, intellect and skills of the working people. It is not possible to utilize such important factors as energy and the desire to work. From here the distance to passiveness is very short. What is worse, many officials have an irrational faith in the great importance of legal acts, orders and decrees. They would like to standarize almost every aspect of human life in this way. This, too, stifles individual and group initiative. Furthermore, often the creators or executors of these legal acts themselves denigrate them. An example here is the law on pensions and annuities. For all practical purposes it has hardly become effective and already it is being amended. Isn't this a little strange?

[Question] Do we understand, then, that you are critical of the work of the administration?

[Answer] Only of that administration which believes in its own infallibility. And this is not rare, and the tendency is growing. In this type of element, every opinion evokes a charge that we are practicing voluntarism, or that we are in conflict with reform. Meanwhile, we are really looking at part of the state administration, the middle level, I would say. Is it truly reformed? We have many reports that better staff selection is needed.

[Question] Therefore, the unions do not feel good in the role of a partner to the administration?

[Answer] I cannot say that we feel bad. We are simply learning to fight for what is ours. We are learning to be stubborn and circumspect. This does not mean that we do not accept reasonable, substantive arguments. It is precisely the differences in opinions which tell us that we must be well-prepared for every discussion. That, let me say, develops us intellectually, But the point is that after such a discussion and after finding a common ground, decisions should be made which conform with the spirit of these agreements. And this is not always the case and then we must take additional measures to enforce the rights due us.

[Question] The union members would probably like your successes more than your compromises. What, then, have you accomplished?

[Answer] Our successes are already history. Now we have to think about how to get along best in the existing circumstances. That is perhaps why I will tell you first what is vexing us. First of all, we know that we have not been able to settle several such matters. In saying "we", I am referring not just to the trade union movement. We do not feel, for example, that any basic improvement has been made in the situation regarding pensioners and annuitants, particularly those who retired under the old rules. Nor, on the

national scale, has any visible progress been made in housing construction. A great deal has been said and written on this subject, but thus far there have been no results. Blocking the expansion of social activity in the plants is the lack of a law on a social and housing fund. We coordinated this with the government a long time ago, and only now is this plan before the Sejm--the commissions are working on it.

[Question] In other words, there are only reasons for dissatisfaction.

[Answer] Not entirely, because in spite of many obstacles we have put a factory housing construction movement into motion.

[Question] But it is said that you are taking sites, materials and contractors away from the general cooperatives, in which people have been waiting in line for many years.

[Answer] And who is waiting in these lines? Is it not the workers of these very factories? After all, in building faster and more efficiently than the traditional cooperatives we are reducing this waiting time. Thanks to our demands, which are, after all, a repetition of the demands of the workforces, housing construction has been put at the head of the most important problems in the National Socioeconomic Plan. And certainly the results of the first plans were meager. The system for valorizing these amounts, proposed by us, has been accepted in the aforementioned draft law on a social and housing fund.

I believe that our idea of two-stage collective bargaining agreements, with the factory agreements making up the largest part of them, if approved by the Sejm, will make it possible to put the system of wages and other work-related benefits into order. To say nothing of the fact that thanks to the amended law on trade unions their status in the country and in the factories has risen, because in many cases they obtained settlement entitlements. Thus far, the factory union organizations are only making partial use of these entitlements.

Our collaboration with worker's self-managements is going well. Of course there are jurisdictional disputes or other conflicts, but they are rare. We initiate measures jointly, just to mention the creation of a Health Protection Fund for metalworkers. We have established partnership relations with the party. It is showing its interest in the unions and supports their development through the participation of PZPR members in the work of union organizations. In turn, the union movement understands the party's leading role and that collaboration is based on efforts aimed at solving the country's difficult social and economic problems.

[Question] You are a delegate to the 10th Party Congress, along with other activists. What problems would you like to see discussed at this Congress?

[Answer] We would like to talk about a need for understanding of people's expectations and their hopes. It is often said that these hopes are exaggerated and unrealistic in our present economic situation. But is a young person who is waiting for an apartment--I always return to this painful

subject--really demanding something extraordinary? Especially if, in addition, he actively participates in the realization of this dream, makes the necessary financial contribution, i.e., meets all of the required conditions. And yet he is told that his dream cannot be realized. Is it too much for people to expect that the price-wage spiral and the race with inflation will end? Particularly when we are saying so much about mechanisms of reform. Let them, at last, function efficiently!

I understand the argument that there is no money. But let us see whether it is really necessary to write off the money frozen in postponed investments as a loss. We are also always talking about the need to save, and also to economize on coal. And what has been done, for example, to make better use of brown coal? The gathering of dead forest wood, being popularized, is not the solution to the problem of energy raw materials. I am sure that the economists would make a better case in behalf of my point. But what I am saying is that an attempt is being made to accomplish new tasks using the same old patterns and solutions. Meanwhile, we must flexible. We must more rapidly create the conditions by which these natural, human needs and anticipations can be met. Any other path leads directly to social indifference and discouragement. Are we doing everything we can to prevent this?

I believe that the piecemeal method does not make for rapid progress. I think we expect the party to take this decisive and important step. We expect a clear concept of action for future years, skilfulness in convincing us of the correctness of this concept, inspiring confidence in it, and as a consequence, putting it into effect. Of course, it is difficult to expect that concrete and detailed decisions will be made at the Congress. My hopes center around the strategy which the Congress will outline on the most important economic and social matters.

[Question] And what will then be the participation of the trade unions in the accomplishment of these tasks? One of your functions is to jointly participate in the country's socioeconomic activities.

[Answer] Trade unions are always where there is production and work. But in organizing it we will not replace the factory administrations. We can only indicate the need for improvements and assist in them. Anyway, we are already doing this in many cases. We are also pointing to the need for work incentives. In any case, we also have our own proposals. We are now trying to develop fragmentary initiatives, e.g., greater interest in savings or work improvement. But here, too, the lack of suitable incentives stands in the way, and we are calling attention to this. We are thinking about new forms of work rivalry. I personally believe that traditional work competition will find no response from the workforces and would not be very effective under present conditions. We are also trying to strengthen our movement internally. It will then be easier for us to bring all our reasonable initiatives to .pa completion. It is not just a matter of doing something, but of doing it well and achieving measurable results.

9295
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OPZZ CHAIRMAN MIODOWICZ INTERVIEWED ON TRADE UNION TASKS

AU230900 Sofia TRUD in Bulgarian 22 Jul 86 pp 1, 2

[Interview given by Alfred Miodowicz, OPZZ chairman and member of the PZPR Central Committee Politburo, to Khristo Asurdzhiev, TRUD correspondent, "recently" in Sofia]

[Excerpts] Alfred Miodowicz, OPZZ chairman, recently visited Bulgaria. He was kind enough to receive a representative of our newspaper and answer his questions.

[Ausurdzhiev] Comrade Miodowicz, the entire world's following with interest the developments in the Polish People's Republic. The interest of the fraternal socialist countries, including our own country, is especially great. TRUD readers also are interested in what is happening in Poland and what tasks are now being solved by the Polish Trade Unions.

[Miodowicz] Many serious problems connected with the development of the national economy and the economic reform are now being solved in our country. The most important thing is that everywhere the working people and the trade union organizations at all levels support the slogan "Wages Will correspond to Labor".

We need more than goodwill in order to achieve this. It is necessary to create well regulated and correctly acting organs. The wage agreements of 1984 really encompass a great part of the enterprises. They were signed by the trade union organizations and, in principle, the tasks outlined in these agreements have been solved. However, there is more work related to wages to be done. This is one of the great problems in whose solution the Polish trade unions are actively participating at present. I would like to stress again that the issue of the wages will be solved on the basis of actual production. It is clear that we can only distribute what has been produced, both quantity and quality of production being taken into consideration. In this context we are talking about some new technologies for saving raw materials and other materials. [Passage omitted on the OPZZ tasks in apartment construction, environmental protection, and organizing cultural and free-time activities for the workers.]

From the organizational point of view the Polish Trade Unions are getting stronger every day. When I was in Bulgaria last year, 5.5 million people were members of the trade unions. Now we have 1 million more members. The members are organized in 26,000 primary trade union organizations. The Polish Trade Unions are based on the federative principle, the primary trade union organizations having the greatest rights. It is with them that the OPZZ maintains the closest relations. [Passage omitted on cooperation between the Polish and Bulgarian trade unions.]

[Asurdzhiev] The 11th World Trade Union Congress organized by the WFTU will take place in Berlin, the CDR capital. Drafts of the congress basic document have been sent to all national, regional, and international trade union organizations. What will the Polish Trade Union's contribution be, and what do you expect from the congress?

[Miodowicz] The WFTU is giving us the broad opportunity to understand what is going on in the workers' circles and trade unions of the underdeveloped countries, and how the international trade union movement is developing. The forthcoming world congress will be the first in which the new Polish trade unions, constructed on the class principle, will take part. Our trade unions have an important role within the WFTU. We think that our 12-member delegation, in which not only OPZZ and branch federation figures are members but also workers from the plants, will take an active part in the congress and the work of its commissions, and wherever necessary we shall express our opinions. We are making serious preparations for the congress. Our recent talks with Comrade Petur Dyulgerov was devoted to this subject. For our trade union the period until the congress will be a period of strenuous preparation on the part of all units, because it coincides with the opening of our own congress. This will be an event of an exceptional importance for us, because the congress will have to approve what has been done so far. It will adopt a program, outline development prospects, and adopt appropriate amendments to the trade union statutes, something which will help the trade unions to draw closer together.

Speaking about the WFTU, I must point out that we have great hopes in the international workers' and trade union solidarity in the struggle for peace and international cooperation, and for removing the danger of the nuclear death, which jeopardizes mankind. We support the valuable initiatives in this respect, which were recently voiced.

These are our basic positions. Poland is in the center of Europe, and the storms of the two world wars passed through it. In 1945 there was no Polish family that had not suffered during World War II. Today, for the first time in its history Poland has secure borders and loyal friends. On this foundation conditions have been created for developing socialism in our country. However, we must not let up our attention. We must continue with new energy to struggle for peace and the expansion of international cooperation. In this respect the OPZZ is working on a broad front, essentially created by the WFTU's tireless activity.

/12624
CSO: 2200/155

OFFICIAL RECONCILES UNIVERSAL, NATIONAL FEATURES OF SOCIALISM

Warsaw PRAWO I ZYCIE in Polish No 26, 28 Jun 86 pp 3, 4

[Article by Adam Lopatka, minister, Office of Religious Affairs: "Directions of the Development of the Political System"]

[Excerpts] In recent years, the concept of the political system has entered the political vocabulary of the socialist countries. It is frequently used in the party program drafted for the 10th PZPR Congress, as well as in other documents. What is the political system? In what directions should it develop in Poland?

In every socioeconomic structure, a socioeconomic system and a political system can be distinguished, which are characteristic of the structure in question. The socioeconomic system is determined by relationships of property and the distribution of goods, the class and nationality composition of society, and the territorial distribution of the population. The political system in turn has a formative effect upon the socioeconomic system.

The political system is characterized by the relationships of authority existing in the socioeconomic structure in question. Within its framework, the country's political life takes place, and the desires of classes, social strata, peoples or nationalities (and also other social groups) to achieve or exercise power, or to increase their influence in society, are realized. Furthermore, in the final analysis this has to do with the possession of state power, or fundamental influence on the way it is exercised.

The 10th PZPR Congress will outline the directions that further positive changes in the Polish socialist political system should follow. In the sphere of ideas and values, these changes--as it appears from the precongress discussion and the draft documents--should be based on creating conditions that favor ensuring that Marxism-Leninism has the leading role in the culture--broadly understood--of Polish society. Marxism-Leninism is treated as a living science that provides answers to continually new problems of modern life and outlines ways to solve the problems of social development successfully. It is to determine ways to form the socialist consciousness of the people in the ideological and political struggle with the domestic and foreign enemies of socialism. The front in this struggle runs, with differing intensity, through all social milieux.

In the sphere of institutions, the 10th Congress advocates not so much forming new organs and structures, as improving the functioning of all of the institutions and mechanisms already in existence. Each of these institutions is still far from fully utilizing the potential capabilities, and from the desired excellence in everyday activities. Strengthening democracy and fully utilizing all of the mechanisms of socialist democracy are the main directions for the further development of the political system. Changes in the functioning of the institutions in the political system should serve the requirements originating from the process of economic reform and the renewal of social life, including moral renewal.

In the normative sphere, the further development of the political system is determined by the assessment that the changes in the legal system that occurred in recent years as a result of the implementation of the policy outlined by the party's 9th Congress are positive in nature. Stabilization of the legal system is therefore necessary at present. Changes should be limited to the essential minimum. It is also necessary to reduce the number of legal regulations, especially those contained in the executive documents for laws. Stabilization of the legal system will promote the growth and consolidation of socialist legal consciousness, and strengthen citizens' sense of certainty and legal security. It will promote improvement in the work of the state and economic administration.

The party was and remains the main architect of the formation of the Polish socialist political system. It will continue to perform its three inseparable functions: a serving function with respect to the working class, working people, and the people; a leading role with respect to society; and a managing role in the state. As Wojciech Jaruzelski defined it more precisely, "The first results from an ideological-moral imperative, from class obligation. The second is based on winning the trust of working people, establishing closer ties with them, and strengthening credibility in their eyes. The third is a historic necessity with respect to the state organs on the path of the building and development of socialism." (TRYBUNA LUDU, 2 May 1986). None of these functions can be performed independently. The party will perform its leading role in the state in accordance with the principles of democracy, through a representative system within the framework of the law, without either superseding or replacing state organs, and respecting their status and authority.

The assessment that the Polish People's Republic's political system is fixed and stable as a result of its historical development does not rule out the need to establish more new institutions. The Democratic Party is announcing a project to restore the Office of the President in Poland. PRON's program includes the formation of an institution of Guardians of the Rights of Citizens, and also the passage of a law on social consultations. Such proposals are consistent with the nature and developmental logic of our political system. It is a matter for quiet discussion as to whether and when and in what form they are to be introduced.

Some other proposals, originating from opposition circles, are of a different nature. They are aimed at introducing into our political system institutions that are by nature alien to it, and which would result not in improving the

system, but rather in destroying it. This type of proposal includes the call for legalizing the political opposition and giving it freedom of action.

The ideological basis for building socialism is and can only be the creatively applied science of Marxism-Leninism. This theory cannot be separated from life. It must courageously and undogmatically make generalizations from the real processes taking place in Poland and the world. The documents prepared as a result of the decisions before the 10th Congress emphasize that the development of socialism requires overcoming both revisionist distortions of Marxism-Leninism, and also the dogmatic-sectarian tendencies attempting to force new phenomena into old patterns, making use of the revolutionary process and demagogy. In this manner it has been confirmed that it is not possible to build socialism simultaneously on the basis of two sociopolitical doctrines--Marxism-Leninism and Catholicism.

This means that the Marxist-Leninist party and the socialist state, ideological-educational youth organizations, trade unions, and some other organizations are guided in their activities by the theory of Marxism-Leninism. It does not mean, on the other hand, that other organizations and institutions forming part of the socialist political system are to be guided in their activities by Marxism-Leninism. Some of them have democratic and progressive traditions of many year's standing, which are quite consonant with the science of Marxism-Leninism and are creatively utilized in the process of building socialism. This particularly applies to the popular and democratic democratic movement.

Our experience in building socialism in Poland has shown that organizations and institutions that are not guided by Marxism-Leninism or other secular progressive theories or ideologies can belong to the socialist political system. These organizations, within their sphere of activity, can be faithful to their own traditional ideologies, while adhering primarily to their progressive and democratic elements, and leaving conservative elements in the background. It is sufficient that the political system as a whole, and its main organizations and institutions essentially involved in building socialism, be inspired by Marxism-Leninism. This system is characterized by a permanent pluralism of world views, which does not contradict the fact that as a whole it has been formed by the science of Marxism-Leninism. The latter also sets the course of its historical development.

The PZPR is confirming its desire to continue the coalition method of exercising state authority. This method is one of the original achievements of the Polish People's Republic. It was verified during the crisis period. The alliance of the PZPR, the ZSL, and the SD, with the participation of Catholic and secular Christian association, is of a strategic and permanent nature, not a temporary and tactical one. It creates an important mechanism for partnership and joint responsibility within the framework of the socialist political system, expresses the unity in diversity of Polish society, and serves its vital interests.

The PZPR is the main motive force for the Polish socialist political system. It is inseparably and permanently linked with the fate of the Polish people, and grew out of its history and needs. It draws its mandate to lead in the

building of socialism from the class and worker essence of its policy and accomplishments, from the science that guides it, and from its program of action, which reflects the most fundamental interests and aspirations of working people and of the people as a whole The strength of the PZPR is also a result of its personnel composition. The party takes care that its ranks include people who are dedicated and morally sensitive, who are looking to it for a chance for constructive action, and not privileges; people who excel in fulfilling their duties as citizens and their professional obligations, who are independent in thought and action, willing to take difficult tasks upon themselves, to defend the party's political line, and to secure the support of their fellow citizens for it.

Both universal and specific characteristics of the building of socialism are embodied and realized in the Polish socialist political system. Both are socialist in nature. Both are national, Polish, in nature. Both are inevitable and essential, since they have profound roots in the historical and modern realities of Poland and in the challenges that the people must fact.

9909
CSO: 2600/550

SEJM S&T COMMISSION VIEWS TASKS, GOALS

Warsaw RZECZPOSPOLITA in Polish 5-6 Jul 86 p 3

[Interview with Colonel Zbigniew Puzewicz, professor and engineer, chairman of the Sejm Commission on Science and Technology, by J. Korzeniowska-Krasowska: "Reform in Science"]

[Text] For 7 months now, the outstanding scientist, one of the fathers of Polish quantum electronics Col Prof Dr Zbigniew Puzewicz has headed the Sejm Commission on Science and Technical Progress. We are discussing the work of the commission and its part in shaping the new system of managing science and technical progress.

[Question] The beginning of your commission's work was not easy. In a short period of time, you had to finalize several resolutions associated with the science policy of the state which were initially brought up by the commission of the 8th Sejm. It was not easy for the press to catch up with you...

[Answer] The task was quite complex indeed, especially for us, the deputies who are taking part in the Sejm proceedings for the first time. When we began our work, the Committee of the Council of Ministers for Science and Technical Progress and the Administration for Technical Progress and Implementation were already in operation. New draft laws on the organization of science in the country were awaiting consideration. This also happened to be the time when the budget for the next year is passed. We had to review the draft budgets of the Ministry of Science and Higher Education, the PAN [Polish Academy of Sciences], the PAA [National Atomic Energy Agency] and the PKMiJ [Polish Committee for Measures and Quality].

Getting acquainted with the problems of just these institutions required a great effort on the part of the deputies, even more so because the number of deputies from the previous term who continued on in our commission is small.

[Question] You referred to the work by the commission on new bills. They have become law; in other words, they have been adopted by the Sejm. What is your view of these events?

[Answer] It is too soon for a definitive evaluation. The relevance of solutions must be borne out by everyday practice. In my view, the general

evaluation will be positive. These laws were neccessary in order to bring to a close a particular stage of work on a new format of scientific life and technical progress. For example, the law on central funds for the development of science and technology outlines the way in which these funds are to be maintained and serves as a basis for setting the amount of spending for scientific-technical progress in the central annual plan and the draft national socio-economic plan for 1986 through 1990. It is significant that this spending will increase markedly.

I would like to stress that the Central Fund for Implementation Support has been set up, which is without precedent in the history of organizing scientific-technical progress. To be sure, the fund in relatively small. Nonetheless, by the end of the current five-year period it may be vital in putting on stream specific innovation products.

[Question] In April of this year, you effected the adoption of the "Nuclear Law." The events in our country which occurred after the nuclear reactor accident in Chernobyl confirmed how much need there was for this legislation. These events have borne out the soundness of legislative arrangements.

[Answer] The adoption of each of the laws was preceded by many months of arduous work, many reviews of the drafts and amendments with the participation of a large number of outstanding specialists. The legal act "Nuclear Law" indeed embraces the entire gamut of issues related to the use of nuclear energy, including matters of protection, radiological supervision, siting nuclear plants in the drafting stage and so on. The law turned out to be very well-considered and the suggested arrangements turned out to be sound.

[Question] At present, what is the most important item in the proceedings of the commission?

[Answer] Attention of the commission is fixed primarily on the draft national socio-economic plan for 1986 through 1990, that is to say on its section on science, technical progress and higher education. We review these issues from the standpoint of their combined impact on the arrangements in managing the scientific-technical progress in the enviroment of economic reform.

Work is underway on outlining the CPBR [Central R&D Programs] and CPBP [Central Programs for Fundamental Research]. We take interest in the proportion of allocations for fundamental research and R&D work, the extent of government programs and soundness of their choice, the connection between the research done in the previous five-year plan and that envisaged for the current one. We determine whether research currently underway will indeed bring about a narrowing of the technological gap or whether it will turn out after a while that, due to the lack of continuity in a particular field of research, the distance between us and the countries in the economic lead will increase.

[Question] Assurances that the currently prepared R&D origrans are open-ended and that they will be continuously modified, in keeping with current needs, are repeated in may statements by persons in charge of the organization of science in the country.

[Answer] We will also see to that. Money allocated for scientific-technical progress should bring a maximum benefit for our socio-economic development. This is why we are reforming the organization of science in Poland and are striving to streamline the management mechanism. We are aware that in the current five-year period the influence of scientific-technical progress on the condition of the economy will not be great due to many objective causes. This five-year plan must be a preparatory period for decisive influence by scientific-technical progress on economic activities.

[Question] Recently, a new term has surfaced, namely, "companion programs". People are wondering whether this involves setting up new scientific teams of sorts.

[Answer] Let me explain. There is a particular group of programs involving, for example, development of electronics, biotechnology, new structural materials and so on. These programs must tie in well with each other, must factually outline the needs of the country and the opportunities to meet them. Using the new term, these must be companion programs, one for the other. The spectrum of issues in science and technological progress is very broad; therefore, it is difficult to manage everything, including minute details, in a centralized manner. What can be done centrally is to determine the most important directions and work in these directions through appropriately selected ways of influencing science in order to secure the desired effect. This problem, i.e. preventing second-rate matters from eclipsing general tasks, was addressed in statements from the floor made by deputies.

[Question] The expected economic results hinge on scientific-technical progress. Yet, there are still many obstacles which impede the implementation of scientific-technical achievements in enterprises. This is not the fault of enterprises, but rather of certain economic and legal arrangements.

[Answer] This is a very complex issue, especially in the environment of disequilibrium in the market. As a Sejm commission, we would strive to ensure that the demand of enterprises for scientific-technical progress is authentic rather than following from appeals and slogans. Arrangements facilitating the expected symbiosis of industry and science and technical progress are now being created, and we welcome them with our great approval. However, at the same time we are very cautious in expectations of results from the impact of these mechanisms. We will watch them closely. We want to bring about a situation in which the suggested instruments of influencing industry, with regard to bringing it and its products up to date, will be accompanied by studies projecting their consequences.

9761
CSO: 2600/592

CONGRESS DELEGATE DEFENDS WORKER SELF-MANAGEMENT

Warsaw RZECZPOSPOLITA in Polish 11 Jun 86 p 3

[Interview with Kazimierz Gralak, electrical foreman in the Municipal Transportation Establishments in Warsaw, by K. Szczesniak]

[Text] Kazimierz Gralak, age 42, secondary technical education, electrician, is a foreman in the Municipal Transportation Establishments in Warsaw. He has been a party member since 1963 and is now the PZPR Factory Committee first secretary.

[Question] K. Szczesniak: Has there been a perceptible growth in democracy within the plant between the party's Ninth Congress and the approaching 10th Congress?

[Answer] Kazimierz Gralak: Without a doubt the resolutions of the Ninth Congress, which declared itself to be in favor of worker self-management, had an effect on increasing the participation of workers in the co-management of their home workplaces. The workforce came to believe that decisions are not being made behind their back, contrary to their interests, and that their opinions are not being ignored.

[Question] Can we say that this process has ended?

[Answer] Not at all. We have simply obtained some experience, which we should now put to full use. There should be no retreat from democracy, therefore decisionmaking should be improved. Because the manager, even though he is personally responsible in all important matters, has to consult with or ask for the consent of too many partners.

[Question] Is that how it really is at the Municipal Transportation Establishments?

[Answer] At our place everything has already fallen into place. For a long time now both the self-management and the trade unions are fulfilling their roles correctly.

[Question] And no limitations have been placed on existing authority?

[Answer] That is out of the question. The worker is relaxed under the existing system. He knows that if the manager does not hear him out he can go the party's factory committee, the trade unions, or the chairman of the self-management, and there he will get support for his justified demands and suggestions.

9295
CSO: 2600/576

READER ASSAILS 'POLAND 2000' FUND

Warsaw TRYBUNA LUDU in Polish 18 Jun 86 p 4

[Letter to the editor from Boleslaw Janczur, Katowice]

[Text] I believe that the Poland 2000 Fund is unwarranted, for reasons that are both substantive and formal. First of all, the idea itself is in conflict with my view of socialism, whose humanism should come through by ensuring everyone an equal opportunity to establish himself in life.

Second, under our specific socioeconomic conditions, allocating special funds for the youth elite cannot help but have a negative impact on the financing of education as a whole. That the problem of money does not play an insignicant role in this case is shown by the proposal of one of the discussants that an appeal be made to the generosity of "Polonia and Poles living abroad." Which is just one more beggarly gesture.

A somewhat different aspect of this problem, which I do not want to develop, is revealed to us much too clearly in the following statement: "The special-interest clubs [science, sports, social] are treated more as a hobby by the teachers, and the same pertains to the student scientific movement. The workers are not especially interested in reviving it. Through the Fund, for example, we can cause the Ministry of Education and Upbringing, to regard lessons with gifted students to be teaching lessons." Well, we now know from whence this fervor to the Fund stems.

I also believe that young people, who are more generously endowed by nature than others, are able, if they only want, to establish their own springboard for the development of their personality and future career.

The state's care should encompass all youth equally, not just the privileged. We must go forward, but we must all go together, not just the chosen individuals. What is really pulling us down is the universal, almost total, lack of interest on the part of youth in good grades in school and the lack of higher aspirations. To get a diploma and establish oneself financially--that, in general, is the peak of ambition. If we do not change this then no fund will help and there is really nothing to talk about.

I interpret the idea of creating a 'Poland 2000' Fund as an attempt to set up some kind of brain trust of the privileged intellectual elite which stands above the masses of average students who are accustomed only to work hard and efficiently. Perhaps in some isolated cases this would bring scientific or economic profits, but these profits would not compensate for the social losses. I am sure that I am correct. And please forgive me, but something in all of this is very reminiscent of the 1970's.

9295
CSO: 2600/576

ACADEMIC RECORDS IMPROVE, BETTER 'ATTITUDE' OBSERVED

Warsaw TRYBUNA LUDU in Polish 14 Jul 86 p 3

[Article by Andrzej Skrzypczak: "Is Mediocrity Going Out of Fashion?"]

[Test] In June, summer finals ended in colleges. For those who have managed to meet all requirements and pass all exams, the completion of summer finals indeed amounts to the completion of a year of studies. Those who did not manage on time or flunked will have a second chance in September.

However, a make-up exam is the last resort, according to regulations. Therefore, does it really make sense to postpone the exams until the fall finals?

As recently as the 1984/1985 academic year, every fourth student waited until the fall finals to meet the year's requirements. The result was that one in five had to make up a year or a semester, or got an incomplete.

Statistics from the Ministry of Science and Higher Education show that on the average, out of 100 students, 6 were expelled, 11 were making up a year or were on academic leave and 14 had incompletes. This is not yet the end of the negative balance sheet for the 1984/1985 accademic year, since those with a grade point average above 4.5 were as difficult to find as the proverbial needle in a haystack. There were only three such students per 100.

The attitude "let us squeak by another year just barely and trudge on to the diploma with the least effort" was becoming alarmingly popular. Out of the 39,000 graduating students in universities, technology institutes, economic, agricultural and teachers' colleges, as few as 14,000 graduated on time. It should be recalled that delays in graduation place a considerable burden on the national economy.

Chancellor of the University of Warsaw, Associate Prof. Marek Wierzbowski does not yet have a summary of data for the current academic year. He says that discipline in studying has certainly improved. In a university the size of ours, it is not feasible to establish unified requirements valid in all departments. Therefore, the specifics are established by departmental councils depending on the peculiarity of courses and the number of students.

The councils have also established tough criteria, for example, for getting incompletes.

Persistent enforcement of this and other resolutions has resulted in greater discipline. However, adds Chancellor Wierzbowski, I do not believe that the new system of scholarships introduced on 1 October 1985 with a view to rewarding good students is much of an incentive for the weak ones. On the other hand, it can motivate good students to achieve even better results.

The view of the Chancellor Associate Prof Jan Mityk of the Kielce Teachers' College is decidedly optimistic. He states that the results of the winter finals show that the new scholarship system has already had a favorable impact.

For example, 92 percent of the students at the department of humanities and 98 percent at the pedagogical department completed winter finals on time. There were more excellent and good grades than in the previous academic year.

My interlocutor adds that he can also tentatively confirm the presence of such a desirable environment for going after good grades during the summer finals. Situations when a student getting a satisfactory grade would ask for a make-up exam in order to prepare better and get a higher grade used to be a rarity; now they are increasingly frequent.

Associate Prof Szymon Godnicki, chancellor of the Higher School of Agriculture in Poznan talks about the expected outcome of finals with great caution.

After all, the initiatives of students regarding the format of the academic year and requirements which did not occur before, show the interest of students in securing a higher grade point average. However, numerous classes still postponed receiving some credit and taking exams until the make-up finals.

As the tentative views of the chancellors responsible for student training suggest, the situation is highly differentiated. However, we can call it cautious optimism. Let us hope that the final results of the academic year will not cause a downward revision in the expected increased interest of students in studying.

Completion of courses on time will definitely become more common. Elimination of the opportunity to take a B.A. exam within 2 years of completion of the senior year without necessarily resuming enrollment is a factor in this matter.

The number of B.A. theses defended as early as June has markedly increased compared to previous years. This also suggests that "professional students" will no longer be a fixture in colleges.

Returning to the incentives for students to study better, we should address at least one more fundamental issue. If outstanding graduates are not appreciated by enterprises which thus far prefer the mediocre and pliable .pa

ones, their more extensive knowledge and better skills, developed through above-average effort, will be an exercise in futility.

Therefore, pursuant to the resolution of the 24th PZPR CC plenum, it is imperative to develop "improved guidelines for placing college graduates in specific fields and enterprises (...) so that their records during studies become the basis for the referral by the school to specific work and positions".

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JPRS-EER-86-133
2 SEPTEMBER 1986

EAST EUROPE REPORT

CONTENTS

AGRICULTURE

CZECHOSLOVAKIA

Agricultural Workforce Profiled, Future Trends Outlined
(Pavel Buchta; MEZINARODNI ZEMEDELSKY CASOPIS, No 2, 1986)..... 1

Food Industry Called Weak Link in Agriculture-Food Complex
(Editorial; RUDE PRAVO, 24 Jun 86)..... 6

HUNGARY

New Incentives for Agricultural Producers
(NEPSZABADSAG, 31 Jul 86)..... 9

ECONOMY

INTERNATIONAL AFFAIRS

Briefs
Geology Cooperation With USSR 11
East-West Environment Symposium 11
Transport Talks With Romania 11

ALBANIA

Yugoslav Source Discusses Foreign Trade, Production Data
(G. Ranitovic; EKONOMSKA POLITIKA, 14 Jul 86)..... 12

CZECHOSLOVAKIA

Economist Calls for Immediate, Substantive Changes
(Frantisek Valenta; TRIBUNA, No 28, 1986)..... 14

GERMAN DEMOCRATIC REPUBLIC

Briefs
Eibenstock Drinking Water Reservoir 19
Machine-Tool Manufacturers' Plans 19
Stralsund Signs Research Agreement 19
Zeiss Signs Cooperation Agreement 19
Trade Protocol With Mongolia 20
Cooperation With Laos 20
Tanzania Cooperation Plan 20

HUNGARY

Briefs
Railway Works To Employ Chinese Workers 21
Food Industry Output 21

POLAND

PZPR Task Force Mulls Ways To Boost Exports
(ZYCIE WARSZAWY, 21-22 Jun 86)..... 22

Food Exports Still Hurt by Aftermath of EEC Ban
(RZECZPOSPOLITA, 26 Jun 86)..... 24

Retail Sector Development Fund Yields First Results
(RZECZPOSPOLITA, 26 Jun 86)..... 26

Rumors on Closure of Lublin Coal Field Project Refuted
(ZYCIE WARSZAWY, 20 Jun 86)..... 28

Survey Findings on Resource Conservation Habits
(ZYCIE WARSZAWY, 11 Jun 86)..... 29

Polonia Firm Policy Implementation Criticized
(Jerzy Loch; POLITYKA, No 24, 14 Jun 86)..... 32

Sociopolitical Aspects of Economic Reform Stressed
(ZYCIE GOSPODARCZE, No 22, 1 Jun 86)..... 36

Briefs
UNDP Aid Package Action 38
Crete Power Plant Contract 38
Report on Soviet Import Traffic 38

YUGOSLAVIA

INA Oil Enterprise Explains Operating Problems
(R. Vuger; EKONOMSKA POLITIKA, 9 Jun 86)..... 39

Drawbacks of Social Ownership, Advantages of Profit Sharing
(Tomislav Nikolic; EKONOMSKA POLITIKA, 9 Jun 86)..... 42

POLITICS

CZECHOSLOVAKIA

Slow Approval of Exit Permits Seen Impeding Foreign Trade
(VECERNI PRAHA, 15 Jul 86)..... 48

GERMAN DEMOCRATIC REPUBLIC

Minor Parties' Functions, Membership Outlined
(Friedel Harder; STAAT UND RECHT, No 4, Apr 86)..... 50

Peace Group Demands Nuclear Power Referendum
(DER SPIEGEL, No 27, 30 Jun 86)..... 62

POLAND

CC Party Control Commission Views Voivodships
(TRYBUNA LUDU, 6 Jun 86)..... 65

CC Commission Discusses Teacher Education
(Bohdana Gajdeczkowa; TRYBUNA LUDU, 6 Jun 86)..... 67

PRON Activists on Youth Participation
(RZECZPOSPOLITA, 9 Jun 86)..... 69

Pre-Congress Voivodship Conferences
(ZYCIE PARTII, No 13, 18 Jun 86)..... 71

Interdisciplinary Seminar on 'Social Pathology'
(M. Miencznikowska; RZECZPOSPOLITA, 31 May-1 Jun 86).... 73

Party Activities Calendar 26 May-8 June 1986
(ZYCIE PARTII, No 13, 18 Jun 86)..... 75

PZPR Lodz Committee Discusses Implementing Resolutions
(TRYBUNA LUDU, 10 Jun 86)..... 78

Catholic Weekly Views Poznan '56 Anniversary, Meaning
(Janusz Ziolkowski; TYGODNIK POWSZECHNY, No 25,
22 Jun 86)..... 80

Union of Socialist Polish Youth 'Self-Examination' Noted
(TRYBUNA LUDU, 10 Jul 86)..... 87

'Self-Criticism' Dominates at Katowice Meeting 87
Students View Membership, Activities, by Ewa Klosiewicz, Renata Maszkowska 88

Briefs
Social Security Pact With Greeks 91

ROMANIA

Critics Guilty of 'Retrograde' Tendencies, Says Writer
(Corneliu Vadim Tudor; SAPTAMINA, 11 Jul 86)..... 92

Goals of Literature Outlined at Party Congress
(Geo Ciolcan; SAPTAMINA, 18 Jul 36)..... 94

Contemporary Significance of Religion Assessed
(N. I. Maris; CONTEMPORANUL, 27 Jun 86)..... 95

Briefs
New Deputy Ministers 98
New Environmental Council Chief 98

YUGOSLAVIA

Changes in Operation of Political System Discussed
(Dragan Bartolovic; KOMUNIST, 25 Jul 86)..... 99

Tree-Climbing Haranguer Seized by Police
(M. Petrovic; MLADOST, 14 Jul 86)..... 104

/12223

AGRICULTURAL WORKFORCE PROFILED, FUTURE TRENDS OUTLINED

Prague MEZINARODNI ZEMEDELSKY CASOPIS in Slovak No 2 1986 pp 15-17

[Article by Eng Pavel Buchta, candidate for doctor of science, CPCZ Central Committee Political College, Bratislava, CSSR: "Labor Force Replacement in Czechoslovak Agriculture"]

[Text] The labor force is very important in the overall replacement process. Socialist economies are characterized by expanded replacement. Even the rapid growth of socialist agriculture requires that the labor force be replaced and upgraded at a qualitatively higher level, since labor is the most important factor of production. In contrast to other national economic sectors, the Czechoslovak agricultural labor force is being upgraded through qualitative improvements.

The number of workers, which represents the quantitative aspect of replacement, has been declining. Just as in other socialist countries, in Czechoslovakia as well agriculture has served as a source of labor for other sectors of the economy. Research and development have created conditions such that labor can be replaced gradually with machinery. This results in both a relative and absolute decline in the number of agricultural workers.

Prior to the beginning of industrialization and the formation of socialist cooperatives in 1948, 2,222,000 people were employed in Czechoslovak agriculture. This number has declined steadily to the point where at the time of the most recent census (1 Feb 1984) there were 891,000 workers in this sector. For completeness it should be noted that the adjusted figure for the number of employees in agriculture, which includes hours worked by brigade help, is about 10 percent higher.

In addition to an absolute decline in the number of employees, their numbers have declined in a relative sense as well. In 1948, agricultural workers accounted for 40.5 percent of total Czechoslovak employment. In 1983 this percentage had declined to 12.5 percent. This means that each agricultural employee produces food for increasing numbers of citizens. While in 1936 every agricultural worker fed 4.5 people, at the present time each worker feeds 17.1 people with higher quality food raised on a smaller area of land.

The drawing of excess workers from agriculture has been of great importance for the development of the CSSR. Yet despite this overall positive trend it needs also to be stated that at some times there have been disruptions in the smooth flow of labor force replacement. This has resulted in shortages of agricultural workers, especially in certain areas and for seasonal work.

The replacement of labor machinery has also not always proceeded smoothly. This was one of the causes for the slower than projected growth of agriculture in the Third 5-Year Plan (1961-1965). The exodus of workers from agriculture has been very uneven from year to year. In 1960 for instance, some 115,000 individuals left agriculture. In the Fourth 5-Year Plan (1966-1970) the average annual loss was 15,000 workers, in the Fifth 5-Year Plan 28,000, and in the Sixth 5-Year Plan 18,000 workers. This pace slowed down substantially after 1978. Since then the average annual loss has been only 2,500 people. The number of full-time employees declined by only 7,000 people (0.8 percent) between the census of 1 Feb 1980 and that of 1 Feb 1984. This confirms that expanded labor force replacement has been achieved qualitatively, not quantitatively.

The Long-Term Program for the Development of Agriculture and Other Sectors Involved in Food Production, which was adopted by the 11th CPCZ Central Committee Plenum in 1984, also deals with the future development of the labor force in Czechoslovak agriculture. Part VIII of this document includes the Program of Labor Force Replacement and Stabilization. This program assumes that over the next decade there will be only a small reduction in the number of workers engaged in primary agricultural production. The program of substituting machinery for labor is requiring very high expenditures, estimated at Kcs 500,000-600,000 per employee. On the other hand further improving the efficiency of agricultural production and increasing our level of self-sufficiency in fruits, vegetables, root crops, legumes and in other technical crops will require increased labor inputs.

Upgraded qualifications, taken together with changes in the professional structure, age structure, and work force structure according to sex are all involved in evaluating the qualitative aspects of labor force replacement.

The CSSR has achieved positive results in upgrading the qualifications of blue collar and technico-managerial employees. For senior managers qualifications are defined and evaluated in more broadly defined terms. The CPCZ Central Committee Presidium Resolution on Personnel Work of 6 Nov 1970 defines this as follows: "Qualifications include political maturity, class consciousness, the requisite level of theoretical knowledge, of life and above all work experience, abilities and practices, general attitude and intellect, moral character and personality traits. The most important of these are political attitude, loyalty to socialism, the maxist-leninist policy of the CPCZ and the socialist state, and friendship with the Soviet Union."

Qualifications for blue-collar positions involve mainly training and the obtaining of an apprenticeship certificate in the chosen field. Between 1980-1984 the percentage of fully trained blue-collar employees increased from 23.9 percent to 41.5 percent of the total work force and the percentage of those with higher educations from 2.7 percent to 5.1 percent of the total. The labor force replacement program has the objective of having 60 percent of the blue-collar work force with apprenticeship certificates by 1995.

The Project for Further Improving the Czechoslovak Training and Education System is also being implemented in agricultural training facilities. In recent years content and organizational changes have been made by way of restructuring the apprenticeship system. New fields of study and curricula have been designed. The model of the secondary professional training center is being gradually implemented at more and more locations. Qualifications for the teachers and masters are very strict, and this is reflected in the high level of training that students receive. The best agricultural enterprises have been selected and fulfill the function of training factories.

Throughout the sector administered by the Ministry of Agriculture and Food a network of professional training centers has been built, each specialized to handle specific fields of study and professions. Most students attend 3-year programs, including the fields of machine operator, husbandman, and mechanic-repairman. The number of graduates from 4-year professional training programs with diploma is increasing. With these programs a student becomes qualified as a plant production operator or a livestock production operator. In addition to these forms of education, workers can obtain an apprenticeship certificate while on the job by passing certain theoretical courses and taking certain exams. Other ways of upgrading qualifications include instruction, in-service training, and ongoing supplementary schooling. Workers are assigned to one of four qualification levels depending on their theoretical training and the length of time they have been employed in their field.

One mass form of agricultural worker education is the targeted, ongoing, and periodic training cycle provided by the television series "School of Progressive Experience". This popular and comprehensible medium is used to interpret current economic tasks in the agricultural policy of the CPCZ. In addition, cooperative and socialist labor schools are organized within agricultural enterprises. These provide professional and economic training and education, training in the law, in health maintenance and safety on the job, fire prevention, etc. To further improve this training and education, especially in conjunction with the practical application of R&D findings, it will be necessary to gradually build centers of progressive experiences and training at individual agricultural facilities.

The qualification level of technico-managerial employees is on the whole satisfactory. In a report to the 11th CPCZ Central Committee Plenum in 1984 comrade Frantisek Pitra, CPCZ central committee secretary, stated in this regard: "Agriculture is among those sectors with the highest percentage of secondary and college trained personnel." Of the total number of

permanently employed technico-managerial employees in Czechoslovak agriculture as of 1984, 69 percent had at least a secondary or full secondary professional education. The number of employees with a college education increased from 13.7 percent in 1980-1984 to 18.1 percent. In contrast the number of technico-managerial employees with only an elementary education decreased from 13.4 percent to 8.2 percent. Overall, Czechoslovak agriculture employs 124,000 people with a secondary education and 23,000 with a college education.

Under the Long-Term Program, by 1995 all technico-managerial employees will be fully qualified for the positions they hold. Approximately 5 percent of total agricultural employment will be people with college educations, and about 20 percent of the agricultural work force will have secondary educations.

Particularly for senior and managerial personnel it is desirable to upgrade and expand their qualifications on an ongoing basis. With this in mind a unified system has been developed of post-graduate studies for people with secondary educations and a program of attestational postgraduate studies for college graduates. There are two levels to this training, the first level being innovational and the second level of a more specialized nature. In addition to these forms an important place in professional and political training is occupied by introductory training for graduates, functional training, supplementary training as well as other targeted course, schooling, stipends, and residential study programs. Recently technico-managerial and blue-collar personnel have been spending a lot of time learning about new agricultural equipment systems for specific crops and efficiency enhancement programs in livestock production.

The training of support personnel is very important to the overall system of political and professional training for senior managers. This training is conducted under individual programs for the comprehensive training of support personnel. The comprehensive nature of the program involves the political and professional growth of the worker. This growth is monitored periodically and systematically.

Increased intensity, efficiency and quality of production along with the practical application of R&D will result in changes in the qualification structure for blue- and technico-managerial employees. The Program of Labor Force replacement projects a 5-7 percent decline in plant production and livestock production work forces by 1995. On the other hand, the number of repairmen, tradesmen, truck drivers, and other specialists will increase New professions will also be introduced to agriculture and require increased numbers of employees. These include biotechnicians, biotechnologists, operators, power engineers, water managers, and others. Agricultural facilities will be hiring not only increasing numbers of mechanization experts, but also more graduates of programs in areas such as construction, the law, sociology, as well as people trained to make use of automated control systems.

On the qualitative side there will be an improvement in the age structure of the Czechoslovak agricultural work force. The average age will decrease. Whereas in 1975 the average age was 43.7 years, in 1984 it had declined to 41.1 years. This still does not compare favorably with other sectors, where the average age is between 37 and 38 years. The number of working retirees will decline. In 1970, 27 percent of the total work force was of retirement age. This declined to 14.6 percent in 1984, which represents some 130,000 workers. At the same time the number of younger workers has been increasing. In 1980, for instance, 33.8 percent of the work force was under the age of 35. This percentage had increased to 35.3 percent by 1984. This trend in the age structure of the agricultural work force is expected to continue because the number of young people entering agriculture is projected to increase.

The gender structure of Czechoslovak agriculture if also changing. In 1955, 56.2 percent of the agricultural work force was composed by women. By 1970 changes in the types of work required had resulted in a work force that was almost exactly half male and half female. By 1984 women accounted for only 42.1 percent of the agricultural work force.

This downward trend will continue, moreover, even though certain areas of production have all-female work forces.

In addition to its qualitative and quantitative aspects, the labor force replacement program for Czechoslovak agriculture through 1995 devoted attention to the geographical allocation of workers, meeting needs for seasonal work, and questions of economic incentives. A great deal of attention has been paid to improving living and working conditions, improving housing and health care, i.e. to a comprehensive resolution of social questions that are rooted in the 5-year as well as annual plans for personnel, cadre, and social development.

9276/9835
CSO: 2400/332

FOOD INDUSTRY CALLED WEAK LINK IN AGRICULTURE-FOOD COMPLEX

Prague RUDE PRAVO in Czech 24 Jun 86 p 1

[Editorial: "Use Science and Technology in Food Production"]

[Text] The supply of food is a sensitive indicator on the satisfaction scale of the population. It is therefore not by chance that our government pays a considerable, long term attention to the development of the agriculture - food complex, enables investments and subsidizes food with billions of korunas. Thanks to this care, but also thanks to the selfless work of the food industry workers, the food standard in the CSSR is most satisfactory when compared with the rest of the world, primarily as to the quantity of food consumed, including the best quality food.

The next task should be to coordinate food consumption with rational nutrition. In the next 15 years, in the CSR alone for example, frozen fruit products will increase by more than 60 per cent, frozen vegetable production will double, and complete frozen meals production will increase by almost 70 per cent. Compared with the previous 5 -year-plan, food production increased by 7.8 percent between 1980 and 1985. We have succeded in eliminating certain shortcomings in the distribution flow.The food industry has also made progress in perfecting raw materials assessement, thus improving thus quality. The fact that almost all exceptions from the valid quality standards of food products have disappeared could serve as evidence of this. The saturation of the market with certain kinds of products caused an entirely new situation for manufacturers to cope with. They were learning--and still are learning-- how to win consumers and offer innovations of real interest.

In the 8th 5-year-plan, their objective should be to cope with even more complex economic conditions than the current ones, with planned profit indicators, work productivity, etc. It is obvious that all this cannot be done to the detriment of the consumers.

The evaluation of the results achieved so far is altogether positive. Nevertheless,some specialists are pinpointing the food industry as the weakest link in the complex. "It is most urgent," states the Policy Report of the 17th Congress of the CC CPCZ "to resolve the existing disproportions between the growing agricultural production and the obsolete processing and storage capacities; the solution to the food packaging question has to be accelerated

as well. Inadmissible as well is what we are witnessing during the harvest and processing of sugar beet, the waste of such precious raw material as milk, the high losses caused by faulty potato storage.... it is high time we provided for improvements."

The Congress called for better quality in management. This pertains principally to the general management of many food processing sectors, but also to the administrative departments of agriculture and food production ministries which should ensure conceptual work and mutual cooperation. The advantages of the agriculture and food industry complex have to be applied much more effectively in practice. Great reserve resources are still available here.

The food industry was criticized as well in the Congress discussions. A concrete example was mentioned by comrade Frantisek Tesar, the executive secretary of the CPCZ Kraj Committee of Eastern Bohemia.Thanks to the intensified efforts of the farmers and to good organization and management, a yield of 42 tons of sugar beet per hectar was achieved last year in the Eastern Bohemia Kraj. The part of the sugar production taking place directly in the fields was thus fulfilled by 112 percent. All this effort however was partially reduced, because the sugar refineries did not process the raw material on time and competently. The sugar beet season lasted till the end of January (as a comparison--in Jampol, where our Jampol-Prostejov initiative originated, the sugar beet season finishes at the beginning of December). At the same time, 97,000 tons of sugar beet was transferred to plants in the Central Bohemian Kraj and 17,000 tons had to be used as fodder.

There are thousands of dedicated workers in the food industry. But how do the workers, foremen and technicians accept the above-quoted criticism? Provided they would defend "their" plant, enterprise or sector referring to all kinds of objective reasons, not much could change in the future.

Some might even feel they were doublecrossed. So many Saturday, Sunday and extended shifts were worked, so much initiative exercised. Contrary to other branches of industry, extra shifts are sometimes inevitable in the food industry, due to the seasonal character of the production and the impact of raw material deliveries. Despite of many new processing plants built in the past 5 years, many obsolete plants are still in operation, with all the disadvantages of difficult, poorly qualified and consequently badly paid work. They are often also in a rather disagreable setting.

Anxious to improve the situation by their own efforts, the food industry enterprises collectives have accepted for 1986 counter proposals representing in profit indicator a plan overrun of 86 million korunas, i.e.; 1.24 percent. "And still to be criticized for all this?" somebody could rightly ask. The present state of affairs in the food industry is being criticized in order to change the conditions primarily in the interest of the employees.

Higher wages can be paid only there where the enterprise is not lagging behind in applying new science and technology, where the technologies are continually modernized and where the character of work is changing. The new, intensified current of workers' initiative has to be directed toward the expedient

introduction of automated production lines, electronics, biotechnology and later even robotization; further development would otherwise be impossible.

Party organizations have the right to control. Together with the ROH (Revolutionary Trade Unions) organizations, they are also entitled to demand that the management be better informed on such matters as, for example, concerning the fulfillment of tasks concerning the production base development, the modernization and reconstruction of food industry enterprises, the development and introduction of new technologies for wasteless production, an increased range of products and improved quality of merchandise.

And why not invite the enterprise or general director to a public member meeting or a trade union get-together and ask him to render accounts of, let us say, the integration fund management? For 1986 the food industry branches have in it altogether over half a billion korunas at their disposal. These are means which could help to achieve progress in the ccoperation of the agricultural production and food processing industry. Our aim should be not only the acquisition of better quality raw material, but also progressive joint planning and management, economic incentive, etc.

Up until the year 2000, personal consumption should increase by at least one-half. The conclusions of the 17th Congress of the CPCZ stress above all the necessity of increasing the quotas of consumer goods, especially of consumer durables and electronic products. This, however, neither diminishes the responsibility of the food industry nor the complexity of its tasks.

12707
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NEW INCENTIVES FOR AGRICULTURAL PRODUCERS

AU011235 Budapest NEPSZABADSAG in Hungarian 31 Jul 86 p 1

["Correspondent's report": "As of 1 January--Conditions for Animal Husbandry Improved--New Economic Regulators Published"]

[Text] Yesterday [30 July] in the Ministry of Agriculture and Food the leaders of county governments, interest representation agencies, and large-scale production and animal husbandry enterprises were informed about the economic regulators [szabalyozo] affecting the individual branches of animal husbandry, and which regulators will take effect as of the beginning of next year. State Secretary Miklos Villanyi welcomed those present--including Istvan Szabo, member of the Politburo and chairman of the Agricultural Cooperatives' National Council, and Lajos Faluvegi, deputy premier--and said that this very significant government decision was being announced unprecedentedly early so that it could be implemented quickly.

Before the detailed report on the price and financial regulatory system, Minister Jeno Vancsa gave a brief analysis of this year's agricultural output. Because cereals had yielded less than stipulated, he reminded people that already now a whole series of measures are necessary to make up for the losses. The minister spoke in detail about the reasons for modifying the regulators. He explained that, although the measures taken after the 1985 drop in production results in animal husbandry have eased the tensions that had accumulated in the sector over a long period, tensions have still remained. Therefore, the measures now being made public will create price and financial conditions that will serve the implementation of next year's and the 7th 5-year plans for animal husbandry and will provide stimuli for improving quality; and will do so by increasing incentives for producers. According to stipulations, the overall influence of the modified regulators will increase the income of producers by almost 4 billion forints--Jeno Vancsa stressed, and continued with detailed information about the central measures.

Following the minister's speech, Istvan Szabo asked to speak. He explained that the presidium of the Agricultural Cooperatives' National Council agrees with the new regulators, which require great efforts from the administration in the present national economic situation. "The dynamic development that characterized Hungarian agriculture during the past 15 years came to a halt last year. The reasons for this situation were the constantly growing tax

assessments based on the regulation, the extremely dry weather conditions, and an unacceptable management attitude in some farms, large-scale productions, and enterprises." "I am convinced," he said, "that our agriculture can be put back on to its track of success. Other economic changes will play a great role in this, because they suggest that the country will continue to rely on the products of animal husbandry." In concluding, the chairman of the Agricultural Cooperatives' National Council referred to a practice that has become popular in some firms, according to which difficulties in animal husbandry have been solved by terminating production rather than improving the standard and profitability of labor.

/9599
CSO: 2500/423

BRIEFS

GEOLOGY COOPERATION WITH USSR--Dr Manfred Bochmann, GDR Minister of Geology, and Professor Yevgeniy Kozlovskiy, USSR Minister of Geology, signed in Moscow on 23 July a protocol of scientific-technical cooperation for the 1986-90 period. This agreement defines the cooperation between the two countries in the search and exploration of new natural gas deposits in the GDR, the joint improvement of technical equipment and technologies for geological examinations as well as in developing and applying key technologies for work processes in geology and geophysics. In addition the agreement creates the prerequisites or developing direct relations between economic units of the two sectors. [Text] [East Berlin NEUES DEUTSCHLAND in German 24 Jul 86 p 2 AU] /12913

EAST-WEST ENVIRONMENT SYMPOSIUM--Budapest, 24 Jul (MTI)--An East-West environmental technological symposium is to be held 18-19 September in Vienna, organized by the Zentralsparkasse und Kommerzialbank-Wien, one of the most significant financial institutions of Austria. This was announced by the organizers at a press conference held in the Budapest Convention Centre Thursday. The aim of the symposium is to further strengthen relations between the European capitalist and socialist countries, and to contribute to solving the most pressing environment protection problems of Europe. The international conference is scheduled to be attended by representatives of the environment protection authorities and organizations of the CEMA countries, and experts of several West European institutions. /Text/ /Budapest MTI in English 1135 GMT 24 Jul 86 LD/ 12228

TRANSPORT TALKS WITH ROMANIA--Budapest, 25 Jul (MTI)--The standing transport work group of the Hungarian-Romanian joint government commission for economic cooperation held its session in Romania 23-24 July. At the talks Hungarian Deputy Minister of Communications Ervin Nagy, and Alexandru Dobre, Romanian deputy minister of transport and telecommunications, discussed Hungarian-Romanian transport relations, and decided on measures in the interest of further developing relations. Ervin Nagy returned to Budapest Friday. /Text/ /Budapest MTI in English 1503 GMT 25 Jul 86 LD/ 12228

CSO: 2500/399

YUGOSLAV SOURCE DISCUSSES FOREIGN TRADE, PRODUCTION DATA

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 14 Jul 86 p 42

[Article by G. Ranitovic: "Albania: Quiet Adaptation"]

[Text] Early in the year when the Albanian news media, reporting from a session of the National Assembly of the People's Socialist Republic of Albania, which had under consideration economic performance in the past year and was adopting the plan for the coming period, gave the figure for the growth of industrial output (2.2 percent), it was clear that the planning targets in the economy, which are always overambitious, had not been fulfilled. "...The elderly Albanian economist Priam Bolano refutes the visions of those who believe that the demands for increasing efficiency and productivity lead to economism. As a matter of fact, Bolano asserts, 'the demand for efficiency helps to build socialism.... Most of those who do not want to work and stay home belong to a young generation which was born and has grown up under the new regime...,'" writes Paolo Brera, an Italian journalist specializing in the socialist countries.

Foreign trade (according to the figures of the Albanian trading partners) has recorded a drop of about 10 percent since 1981. The projections were for exports to grow 58-60 percent and imports 56-58 percent over the last 5 years. Albania trades with about 50 countries. Officially there are no contacts whatsoever with the superpowers and the racist regime in Pretoria, but through intermediaries it also trades with them--for example, it exports carpets to the United States and imports coke, and it imports cotton from the USSR.

Albania's total trade in 1985 was about $680 million. Of that, $80 million was with Yugoslavia, $350 million with the socialist countries, and $250 million in both directions with the advanced industrial countries. In 1981 the relationship was different: $131 million with Yugoslavia, $300 million with the socialist countries, and $315 million with the advanced industrial countries.

Production of the principal exports has dropped off considerably. Whereas in 1975 the production of petroleum and petroleum products was 2.5 million tons, in 1981 it was 2 million tons, and in 1985 only 1 million tons. Because of widespread droughts electric power production was also cut in half: 4 billion kwh in 1981 and only 2 billion in 1985. Only the mining of chromium ore is

still being maintained. With its production of about 1 million tons, Albania is the third largest chromium producer in the world and the first in Europe.

Albania has its own production of iron (18 million tons last year) and steel (slightly more than 1 million tons). About 1 million tons of copper ore are mined (but very little is processed), there are also significant reserves of ferronickel ore as well as coal, but it has a low caloric value. Incidentally, much is expected of the "Enver Hoxha" Hydropower Plant in Komani--two 150-MW turbines have already been put into operation, and another two are supposed to go into operation during 1986 and 1987, which is supposed to generate about 2 billion kwh of electric power a year.

The principal reason for the shortfall in industry has been the lack of modern technology and spare parts for what they already have, which consists mainly of outdated equipment made in the Soviet Union and China. The great diversity of imported machines is also noticeable and is causing great difficulties. Barter transactions are the principal form of trade. Conventional credits are not taken, nor are the higher forms of economic cooperation accepted, so that it has become more difficult to import modern equipment. Imports have to be equal to exports, which means that when output drops, exports drop off, imports drop off, and the result is a downward spiral.

Agriculture has failed particularly; it was expected not only to meet domestic needs, but also to contribute significantly to the growth of exports and thereby to a strengthening of the entire economy. However, production has fallen off every year since 1981 when on the basis of a directive of the 8th Congress of the Albanian Workers' Party the cooperatives were nationalized and private garden plots abolished or reduced in the hilly and mountain areas to only 500 m^2.

Officially, 46 percent of the employed labor force works in agriculture. But according to estimates of international organizations about 60 percent of the employed labor force is working in that sector. It is estimated that only the supply of grain, fruit, and vegetables is sufficient. Meat, powdered milk, butter, cheese...are imported. These products are, of course, strictly rationed. Private produce markets are officially prohibited, but recently a somewhat more tolerant attitude has been noticed toward those who do not respect the ban, and in the cities one can encounter women selling poultry and eggs. The livestock population is minimal, both because people employed in the cooperatives have no motivation and also because pastures have been destroyed.

The leadership has therefore decided to change something, and there is now an experiment taking place to set up mini livestock-raising projects. This involves a combination of private and collective ownership. The press is mainly keeping quiet about this; obviously there is not agreement as yet about the definitive physiognomy of these cooperatives.

Planning authorities have nevertheless envisaged very high growth rates. Exports are supposed to grow 31 percent during this year alone, agricultural output 17 percent, and industrial output 7.3 percent. And where things will go in the future is a question to which the answer is expected from the 9th Congress of the Albanian Workers' Party which is scheduled for 3 November 1986.

7045
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ECONOMIST CALLS FOR IMMEDIATE, SUBSTANTIVE CHANGES

Prague TRIBUNA in Czech No 28, 1986 pp 1, 3

[Article by Frantisek Valenta, director of the Economic Institute of the Czechoslovak Academy of Sciences: "Economic Theory After the 17th CPCZ Congress;" capitalized passages published in boldface]

[Text] In his political report to the 27th CPCZ Congress, G. Husak noted one particularly urgent requirement: The social sciences vanguard must analyze the life in our society with greater daring and consistence; it must aim its efforts at developing concepts and recommendations which would serve to accelerate the social and economic developments, to improve the quality of the political system, to streamline the economic mechanism, and make forecasts about [future] developments of the society.

The postulate of greater DARING AND CONTINUITY is particularly applicable to economic theory. Especially, because the acceleration of economic growth and mastering its new quality is the key for developing all areas of the life of our society. These requirements, with respect to the current state of economic theory and its relation to the developmental needs of our national economy, can be divided into three levels.

1. ECONOMIC PRACTICE

The first of these levels of daring and continuity, obviously the most significant one, concerns the relation of economic theory to economic practice and, specifically, to top levels of management. The experiences of the economic theoreticians show that practical economics is a very unforgiving teacher with respect to economic theory. She dislikes giving good grades and, from time to time, she is not hesitant about, graphically speaking, slapping her students across the face. It is necessary to add that at times it is fully deserved. Comrade Vertelar, for example, at his presentation to the activ [a working conference] of personnel involved with ideology on 18 April 1986, justifiably criticized the economic theory in cases where it is reduced to an effort to learn only segmented facts and problems of the economic life instead of concentrating on developing the basis and learning predetermined trends in the economic development.

Such confusion in basic research can only occur, and paradoxically, in context of the above stated justified criticism, in a certain sense, it does occur under the pressure of economic reality. A CLEAR-CUT EXAMPLE OF THIS ERROR IN ECONOMIC THEORY IS ITS CONTRIBUTION TO THE CHANGES IN THE MANAGEMENT SYSTEM AS THEY WERE BEING IMPLEMENTED SEVEN OR EIGHT YEARS AGO. At that time, the economic theory accepted the method of approaching the changes in management from economic practice; but a method which may be quite natural for practical application by economic institutions may not be suitable for an economic theory. It is a method based on the notion that if we take individual elements of the system of planned management, look at them separately, see how they function; and then we reunite these elements, that their recombined emergence will lead to a better system of management. It is no secret that this is how the Set of Measures of 1980 originated. As long as economic theory was following this procedure, it was only duplicating what the implementing economic institutions were doing; with the only difference that they were less skilled at it and did it with less professionalism.

Economic theory does not exist only to duplicate a process of learning which takes place on the basis of extraction of singular experiences from economic practice. IT ONLY MAKES SENSE IF IT MAKES AN EFFORT AT RECOGNIZING THE UNDERLYING SYMPTOMS HIDDEN UNDER SUPERFICIAL PROCESSES AND RELATIONSHIPS AND AT RECOGNIZING PREDETERMINED TRENDS AND, BASED ON THESE SUBSTANTIVE TRENDS, PRACTICALLY USEFUL CONCLUSIONS ARE MADE. A greater daring of economic theory in relation to economic practice by far does not mean just a shift in direction. WE ARE PRIMARILY INTERESTED IN A MORE THOROUGH SUBSTANTIVE LEARNING THAN IS POSSIBLE TO ACHIEVE ON BASIS OF EXPERIENCES FROM ECONOMIC PRACTICE. The answers, provided on this basis by economic theory are, of course, different from answers arrived at in economic practice. And perhaps it is so because economic theory asks itself questions which are different from economic practice. THE IMPLEMENTATION OF THIS QUITE NATURAL DIFFERENCE IN THE CONCLUSIONS REACHED BY ECONOMIC THEORY [VS ECONOMIC PRACTICE] DEMANDS GREATER DARING. But without a realistic basis for greater daring, which is a better learning of what is substantive and what is predetermined in the development of the socialist economy, the economic theory and practice cannot become partners. ECONOMIC THEORY HAS NO OTHER STRENGTH EXCEPT THE THEORY ITSELF.

2. POLITICAL ECONOMICS

The second plane of the requirement for greater daring and continuity in economic theory lies in its relation to its own achieved status, most particularly the state of its nucleus, i.e. the socialist political economy. In his presentation at the activ, comrade Snitil pointed out the basic problems concerning this relationship. TODAY'S SYSTEM OF INFORMATION IN THE SOCIALIST POLITICAL ECONOMICS CAME ABOUT AS A GENERALIZATION OF THE PROCESS OF EXTENSIVE TYPE OF DEVELOPMENT IN THE SOCIALIST ECONOMY.

Up to this time, the information which was thought to provide the general outline and describe the determinants in the socialist economy failed to tell us about the process of intensive development of economy as part of the building of mature socialism. IT ONLY STATES THE EXCEPTIONS RELATIVE TO THE AREA OF EXTENSIVE DEVELOPMENT.

That is why economic theory is entering upon a stage at which it must show greater daring and continuity, even toward itself. THE THEORY MUST ESTABLISH THE BASE OF POLITICAL ECONOMICS ON A MORE THOROUGH KNOWLEDGE OF THE SUBSTANTIVE PROCESSES RELATING TO ACTUAL DEVELOPMENT OF THE SOCIALIST ECONOMY.

3. INCREASED DEMAND.

The third level of the requirement for greater daring and continuity concerns the relation of each [individual] economic theoriest to himself and toward the current results of his own theoretical work. It occurs to many of us sooner or later that the knowledge we have acquired in the past begins to look, graphically speaking, as only a scaffolding, and that the construction of the building for which we put up the scaffolding is still ahead of us.

It is possible to question whether economic theory is worse or better off than other social sciences, if it asks itself such questions and tasks with such problems to be solved. It is my opinion that it is better off. Because not only do we know that the work which is ahead of us will be much more demanding than it ever was in the past we know also, or at least we are convinced that we know, wherein lies this greater demand. NEW QUALITY OF ECONOMIC GROWTH.

A number of key questions with a primary significance for economic theory as well as for economic practice cuts through all the levels of required daring and continuity. One such subject is the new quality of economic growth.

WE DEFINE THE NEW QUALITY OF ECONOMIC GROWTH--compared to the extant extensive economic development--AS A NEW METHOD OF ACHIEVING GROWTH IN NATIONAL INCOME. A METHOD, WHICH CAUSES THE NATIONAL INCOME TO INCREASE WITHOUT HAVING TO ADD ANY OF THE FACTORS OF PRODUCTION. Anything connected with, and all circumstances of developments in our economy bear witness to the fact that an accelerated implementation of this new quality of economic development as a basis for intensification of economy is an extraordinarily urgent practical task. In summary, it provides for the growth of national income on bases of improvements in labor productivity.

That, however, which for an economic practitioner may be a satisfactory answer becomes only a related problem for the theoretical economist. If, as Marxist economists, we want to stay in the ball park of the work theory of value, WE CANNOT CIRCUMVENT THE FACT THAT DURING AN INCREASE IN LABOR PRODUCTIVITY, THE USEFUL VALUE AND THE [PRODUCT] VALUE [AS SUCH] ARE DEVELOPING DIFFERENTLY, AT TIMES THEY EVEN CONTRADICT EACH OTHER, WE CANNOT AVOID THE FACT THAT INCREASE IN PRODUCTIVITY OF LABOR REDUCES THE VALUE OF ARTICLES PRODUCED. That is why a theoretical economist cannot accept as satisfactory the statement that national income increases because of increase in the productivity of labor as an answer to the question "where lies the new quality of economic growth." IN THE ECONOMIC THEORY WE MUST TAKE IT A STEP FURTHER; WE MUST ASK HOW IS IT POSSIBLE FOR THE NATIONAL INCOME TO GROW WHILE THE LABOR PRODUCTIVITY IS INCREASING AND THE QUANTITY OF LABOR IN THE PRODUCTION PROCESS EITHER STAGNATES OR EVEN GOES DOWN.

Naturally, even this question has an answer, very satisfactory from the viewpoint of economic theory and even more so from the viewpoint of Marxist theory of labor value. But in economic theory we frequently encounter some half-baked

answers which range, as far as their theoretical levels, close to the margin of what we refer to as "vulgar" economics.

IN THE NEW QUALITY, CORRESPONDING TO THE INTENSIVE TYPE OF ECONOMIC DEVELOPMENT, THE NATIONAL INCOME CAN ONLY INCREASE ON BASIS OF GREATER COMPLEXITY AND CREATIVITY OF HUMAN LABOR. Of course, both the increasing complexity as well as creativity of human labor, must be socially necessary. The connection with the intensification of the scientific and technological revolution is quite obvious.

THE NEW QUALITY OF NATIONAL INCOME GROWTH, in its substantive relations, ceases to be one of many practical questions AND, ON THE CONTRARY, IT BECOMES ONE OF THE FEW KEY QUESTIONS. THE NEW QUALITY OF GROWTH IN NATIONAL INCOME IS THE KEY TO SOLVING THE CRITERIONS OF EFFICIENCY, THE SYSTEM OF INDICATORS, AND ECONOMIC INCENTIVES. IT IS ALSO A KEY TO UNDERSTANDING THE STRUCTURAL SHIFTS WITHIN THE GROSS NATIONAL PRODUCT AS WELL AS STRUCTURAL SHIFTS BETWEEN THE DIFFERENT BRANCHES AND SECTORS.

The recognition of the new quality of economic growth is also essential for finding new methods of planned management of the national economy. And that is another key problem passing through all planes of the required greater daring and continuity of economic theory.

MANAGEMENT OF THE ECONOMIC MECHANISM.

In its contribution to the development of the system of planned management and of the entire economic mechanism, economic theory must avoid such a method which--as noted above--lies only in the verification of functionality of individual elements of management. It is necessary that economic theory starts out by viewing what is common to all external operations in the planned management and what makes them only an expression of their common existence--activity of an individual in a society, at a specific historical moment in the building of developed socialist society.

Without this deeper view of the problems connected with the system of planned management it might seem as though the reproduction process (so called material problems and their solutions) would run in parallel with the management process as though both of these processes were practically independent of each other. HOWEVER, BASICALLY THIS IS A SINGLE PROCESS OF THE DEVELOPMENT OF A SOCIALIST ECONOMY AND OF THE ENTIRE LIFE OF THE SOCIETY WHERE THE MANAGEMENT, OR THE ECONOMIC MECHANISM, REFLECT ITS SUBJECTIVE ELEMENT.

From this we can derive perhaps the most significant conclusion which has been reached by economic theory: THE SHIFT TO INTENSIVE ECONOMIC DEVELOPMENT IS FUNCTIONALLY DEPENDENT ON GIVEN CHANGES IN THE SYSTEM OF PLANNED MANAGEMENT AND ENTIRE ECONOMIC MECHANISM. Without the given changes in the system of management, which anticipate a new quality of economic growth, its sources, its structural results, etc., the turn to the intensive development will not come about.

In the conditions of intensification of economy through given changes in the system of management, we can find the reason for conviction that we can no

longer [afford to] hesitate in implementing these changes. We cannot agree with those views which hold that it is necessary to create a model of improved management system first and that only then can it be implemented in the national economy--such solution would mean delaying the necessary changes in management by another 5, 10 or more years, not to mention that there is no guarantee that it would result in a truly perfect solution. SOMETHING SUBSTANTIVE MUST BE IMPLEMENTED WITHOUT DELAY, DURING THE 8TH FIVE-YEAR PLAN. THIS SUBSTANTIVE [PROGRAM] MUST PERTAIN TO THE MOBILIZATION OF THE SOCIETAL SUBJECT TO A NEW QUALITY OF ACTIVITY.

In documents of the 17th Congress of the CPCZ this requirement is expressed in the emphasis on the necessity of developing the initiative and activity of work teams and individuals. The 17TH CONGRESS SHIFTS, IN THIS SENSE, THE CRUX OF THE MATTER FROM A SIMPLE WORK INITIATIVE IN THE SENSE OF MORE WORK IN THE INTEREST OF PLAN FULFILLMENT, INTO A HIGHER LEVEL OF HUMAN ACTIVITY--CREATIVE INITIATIVE. IN OTHER WORDS, INTO THE MOBILIZATION OF HUMAN FANTASY, INVENTIVENESS, DETERMINATION TO TAKE ACTION; INTO A MOBILIZATION OF HUMAN CAPABILITIES TO SEARCH, FIND, AND IMPLEMENT BETTER PRODUCTION METHODS AND IMPROVEMENTS IN OTHER AREAS OF SOCIETAL ACTIVITY. This also shifts the focal point of human initiative from simple participation with a greater expenditure of labor in fulfillment of a given plan to a creative participation in the plan preparation.

The resources of the new quality of economic growth have a hierarchic structure and can only be implemented through the creative activities of work teams at all levels. This should also lead to a new concept of democratic centralism which is to gain more depth as one of the basic requirements established by the 17th CPCZ Congress.

Extension of the democratic centralism according to the conclusions of the 17th CPCZ Congress and CPSU requires that the central management be fortified and the independence of the lower ranks be strengthened. From the viewpoint of older literature discussing such questions, such setting of goals could seem incomprehensible. About 25 years ago and for some time afterwards, the principle of democratic centralism was being reduced to a mere relation of centralization versus decentralization. Then it also could have mislead one to think that strengthening centralism would weaken decentralization or the reverse (for example, in a book published by Brus "Models of Socialist Economy.") These outdated viewpoints still persist, especially because the theoretical study of democratic centralism did not make much progress in practical terms and this problem still remains in the background of the attention of economic theory.

Nevertheless, here is a question which must be solved by the economic practice --how to accomplish that both poles of the democratic centralism are fortified and strengthened. It is also an appeal to economic theory, because the practice needs a theory of this process. And it needs a good theory for many other things that are part and parcel of the intensive type of economic development.

FRANTISEK VALENTA
director of the Economic Institute
of the Czechoslovak Academy of
Sciences

/7051
CSO: 2400/366

BRIEFS

EIBENSTOCK DRINKING WATER RESERVOIR--The Eibenstock drinking water reservoir in the Aue Kreis, the second biggest in the GDR, was opened on 20 June by Siegfried Lorenz, SED Central Committee Politburo member and first secretary of the Karl-Marx-Stadt SED bezirk leadership. The drinking water reservoir, which has a capacity of 77 million cubic meters, spreads over an area of 350 hectares and is an important prerequisite for the stable supply of approximately 1 million citizens with drinking water through to the year 2000 and beyond. [Summary] [East Berlin NEUES DEUTSCHLAND in German 21-22 Jun 86 p 3] /9604

MACHINE-TOOL MANUFACTURERS' PLANS--At a meeting in Keipzig on 11 July with Minister Rudi Georgi, directors of machine-tool and processing machinery manufacturing enterprises said that the 140,000 workers in this sector were planning maximum performance shifts to mark the international peace day. Minister Georgi announced that an additional number of 220 CAD/CAM [computer-aided design/computer-aided manufacture] stations would be introduced, which would help increase the designers', technologists', and project engineers' labor productivity five-fold. [Summary] [East Berlin Domestic Service in German 1700 GMT 11 Jul 86] /9604

STRALSUND SIGNS RESEARCH AGREEMENT--The Stralsund People's Shipyard and the Warnemuende Engineers' Institute have concluded a research agreement on the introduction of the computer-aided design and manufacture of ship's foundations. The agreement is aimed at reducing the time from the design to the conclusion of the foundations by 50 percent. At the same time, the costs will be reduced by one-third. Whereas the ship's foundations of various types so far have been designed, manufactured, and assembled separately, the CAD/CAM solution will in the future allow the manufacture of different series according to the conveyor-line principle. The Stralsund People's Shipyard this year will build 33 ships, including a new type in series. [Text] [East Berlin Domestic Service in German 1100 GMT 14 Jul 86] /9604

ZEISS SIGNS COOPERATION AGREEMENT--The Leuna-Merseburg Technical University and the Carl Zeiss Jena Combine today concluded an agreement on scientific-technological cooperation. Among other things, special materials are to be developed in the scope of the agreement which was signed by acting rector Hans Joachim Aust and Director-General Wolfgang Biermann. [Excerpt] [East Berlin Domestic Service in German 1400 GMT 15 Jul 86] /9604

TRADE PROTOCOL WITH MONGOLIA--In Ulaanbaatar today the GDR and Mongolian People's Republic agreed on their mutual trade and payments for 1987. Among other things, the GDR will supply machinery and equipment for light industry and the food industry as well as electrical engineering and electronic products, scientific equipment and chemical products. Mongolia will export to the GDR mining products, leather clothing, carpets and wool. A protocol on further cooperation in the economic sphere was also signed today. [Text] [East Berlin Voice of GDR Domestic Service in German 2200 GMT 21 Jul 86] /9604

COOPERATION WITH LAOS--The GDR and Laos are to expand their economic cooperation in the 5-year plan period through more intensive trade. The GDR will import substantial quantities of unroasted coffee and wood products. It will deliver machinery, equipment, means of transport and chemical products for the tropical agricultural and forestry industry in Laos. This was agreed today in Berlin by Gerhard Schuerer, deputy chairman of the Council of Ministers, and Sali Vongkhamsao, deputy chairman of the Council of Ministers. The guest said Laos was glad to have the GDR as a loyal ally, whose support for his country's economic development was very important. [Text] [East Berlin Voice of GDR Domestic Service in German 1200 GMT 18 Jul 86] /9604

TANZANIA COOPERATION PLAN--A working program for cooperation between the GDR and Tanzania in the cultural and economic sphere until 1988 has been signed in Dar es Salaam. The Tanzanian Minister of Culture and Sport Said Ali praised the friendly relations and long-standing cooperation between the two countries on this occasion. He thanked the GDR for its solidarity and support. [Text] [East Berlin Voice of GDR Domestic Service in German 1400 GMT 18 Jul 86] /9604

CSO: 2300/491

BRIEFS

RAILWAY WORKS TO EMPLOY CHINESE WORKERS--Budapest, 26 Jul (MTI)--The Raba Railway Carriage and Machine Works, Europe'a biggest rear axle producer, plans to employ 350 Chinese guest workers. General Director Ede Horvath told in a radio interview on Saturday that Hungary is to export 12,000 vehicles with Raba engines and running gears, to China in the Seventh 5-Year Plan period. So the Chinese guest workers will work in the engine and running gear plants and assembling trucks. With a 100 million forints investment a special housing estate, with 50 square metres flats, accommodating two workers each, will be constructed by the works. At present some 1,000 Polish guest workers are being employed in Raba and the company plans to employ guest workers from Burgenland Province of Austria. Czechoslovak, Polish, Bulgarian, Cuban and Vietnamese guest workers are being employed in Hungary. /Text/ /Budapest MTI in English 1557 GMT 26 Jul 86 LD/ 12228

FOOD INDUSTRY OUTPUT--Budapest, 24 Jul (MTI)--The Hungarian food industry assured a suitable, balanced supply to the population in the first half of 1986, it was stated at the Thursday session of the Presidium of the Trade Union of Food Industry Workers, in Budapest. Poultry industry particularly increased production in the first half of the year, purchasing some 10 percent more poultry than last year, and marketing 6-7 percent more products domestically, and increasing export. The preserving industry was similarly successful in the period--the tinning industry surpassed output of the corresponding period in 1985 by 30 percent, and the refrigerating industry by 20 percent. The meat industry is slowly pulling out of last year's decline. The first signs of the government measures brought to improve the situation of animal breeding are already apparent--more pigs were procured than in the first 6 months of 1985, however, generally speaking output of the branch still lags behind plan. The corn industry increased export deliveries in the first 6 months. vegetable oil industry increased production, but due to the low world market prices, it could not reach previous export results. Breweries produced more than planned, increasing sales by 13 percent over the corresponding period of 1985. /Text/ /Budapest MTI in English 1450 GMT 25 Jul 86 LD/ 12228

CSO: 2500/399

PZPR TASK FORCE MULLS WAYS TO BOOST EXPORTS

Warsaw ZYCIE WARSZAWY in Polish 21-22 Jun 86 pp 1,2

[Article by (Ch): "Export, Driving Force of the Economy"]

[Text] In what way can exports become the driving force of the economy? An answer to this question has been sought almost from the inception of the socialist economic system in Poland; it would seem that little new can be said in the matter.

Yet, it turned out that the discussion in the PZPR CC at the meeting of the team for export-oriented policy, with the participation of the interested members of the Commission for Economic Reform and Policy, as well as the Foreign Commission of the PZPR CC, was not only filled with clashes and controversy, but also produced an array of specific suggestions. Marian Wozniak who chaired the proceedings could state in summation that regardless of basic conclusions he would be able to transmit to the prime minister an array of specific suggestions concerning extemporaneous regulations.

The meeting evaluated the documents submitted positively, especially those prepared by the ministry of foreign trade, which analyzed the main problems in this field and assessed the operation of export incentives.

It is indeed difficult to evaluate the impact of these regulations, which taken alone seem correct, but should rather be viewed in a wider context of our economic situation. Prof. Zbigniew Soldaczuk referred to these realities stressing the need for persistence in implementing the methods chosen so that there would not be recurring fluctuations and backtracking. Stabilization of regulations as well as of economy is the fundamental condition, which was also noted by Prof. Zbigniew Kamecki. The list of priorities, relief measures and privileges is so extensive that a review should be carried out and a great proportion of these should be eliminated, so that export incentives indeed become efficient. Also, the incentives which are beginning to work, as demonstrated by the case of the ROD [retained hard currency allowance], should be kept in effect; their cancellation undermines trust in the reform mechanisms.

Prof. Marian Ostrowski dwelled on the root causes of the fact that export orientation of the economy still remains a task for the future, despite the

correct statements made and the export promotion programs undertaken over a quarter of a century. There are two basic prerequisites for successful action. One is the stabilization of the economy in the sense of equilibrium, the other -- regulation of the labor market.

Director of the Stalowa Wola iron and steel plant J. Kapuscinski presented a very interesting view from the standpoint of a producer. He also noted the incongruity of arrangements and the high overhead on production cost, including exports, of larger enterprises due to many outlays of, for example, a social welfare nature. However, the lack of constant rules of the game is the main obstacle which impedes long-range undertakings. One cannot embark on a serious undertaking if he is afraid that he will not finish it, for example, due to the various accusations levelled by inspectors who are not always competent.

Thanking the audience for the work done at this last meeting in the current term, Marian Wozniak addressed the significance of the issues in question. What is going on is the sphere of export is, after all, a reflection of sorts of the condition of the economy at large. Actions in export promotion are actions for changes in the structure of our economy, technical progress, imporvement in quality and modernity and labor productivity. After all, there will be no exports without an improvement in these basic factors of efficiency which determine our position in the world and our clout in the marketplace.

9761
CSO:2600/566

FOOD EXPORTS STILL HURT BY AFTERMATH OF EEC BAN

Warsaw RZECZPOSPOLITA in Polish 26 Jun 86 p 1

[Text] Despite the fact that the ban on the import of farm-food articles from Poland to EEC countries was lifted on 1 June, our exporters are still feeling its effects. This also pertains to strawberries.

Last year we exported approximately 26,000 tons of fresh and refrigerated strawberries to the second payments area [capitalist countries]. This year we will do well if we are able to export 15,000 tons because the myth of "contaminated" food from Poland still continues to prevail among buyers in Western Europe.

As the assistant general manager of the foreign trade enterprise HORTEX, Jerzy Mozdzynski, said to a RZECZPOSPOLITA reporter, all strawberries sent for export are subjected to a detailed inspection. The inspection shows that the radiation amounts to 20-120 Bq, while the EEC's very strict standard permits 600 Bq per kilogram. Thus, our strawberries are free of contamination. What, then, causes this fear? Well, behind this are our competitors, particularly the producers of strawberries in two new EEC member-countries, Spain and Portugal, who deliberately spread rumors about contamination.

All told, our exporters estimate our "post-embargo" losses to be at least $3-4 million, and this pertains only to fresh and refrigerated strawberries. These losses would have been even greater were if not for the fact that there was a decided improvement in the quality of the fruit, which is to the credit of the growers as well as the foreign-trade enterprises.

The export of frozen strawberries appears to look a little better. The fact that they are bought by individual customers and the producers of yogurts, ice creams and processed goods, who are less gullible, plays a large part here. It should also be said that our strawberries are unsurpassed in quality. The fruit coming from other countries does not have such color or aroma. The range of buyers is also larger: In addition to West European countries, we export frozen strawberries to the United States and Canada.

All in all, it is estimated that one-third of the strawberries produced in our country will be exported. This is less than last year, when we sold about 50 percent of our crop. But the situation would be even worse if it were not for

the additional export to the USSR and Czechoslovakia in amounts which exceed the quotas established in trade protocols. This year we already sent approximately 1,400 tons of fresh strawberries to the Soviet Union. They are sent by IL-76 aircraft, which haul 22-24 tons of fruit in each load. A special "aviation bridge" has been established between Moscow and Deblin for this purpose.

In all, we will sell about 5,000 tons of fresh strawberries to the first payments area [socialist countries] this year. Last year we sold 2,500 tons. This partly compensates for losses in the second payments area. Nevertheless, supply on the domestic market exceeds the ability to consume, despite the relatively low prices.

9295
CSO: 2600/567

RETAIL SECTOR DEVELOPMENT FUND YIELDS FIRST RESULTS

Warsaw RZECZPOSPOLITA in Polish 26 Jun 86 p 3

[Text] Very shortly, trade enterprises in Koszalin and Gorzow will have new warehouses and Sosnowiec will have a department store. This perhaps would not be worthy of mention were it not for the new type of assistance which has facilitated the completion of these investments, which have been underway for many years. It would probably have taken even longer for these buildings to be built, but money from the new retail sector development fund has made it possible to complete these important, from the standpoint of the interests of purchasers, retail sector facilities.

The retail sector development fund was established by government ordinance late in 1984. It is formed from specific revenues from state trade enterprises (including 80 percent of the payments made by enterprises to the state treasury for depreciation, 20 percent of the difference between the procurement price and the sales price of imported goods, 30 percent of the sums obtained from penalties for poor quality, and voluntary contributions). As planned, the fund should assist in the development of technical facilities for trade, help enterprises in improving the quality of their goods, and assist in the production of the equipment indispensable to the retail sector.

Thus far, a total of slightly over 4 billion zloty has been accumulated in the fund (annual contributions amount to 2.5 billion zloty). Last year approximately 1 billion zloty was allocated out of this sum to help finance the above-mentioned investments.

--Choices had to be made, explained Stanislaw Hildebrand, deputy director of the Organization and Development Department of the Ministry of Domestic Trade and Services, because 26 billion zloty would have been required to fill all of the requests submitted by enterprises. The fund's board, which advises the minister on how this fund is to be used, probably decided correctly that first priority should be given to those investments which are already underway, do not require large amounts of money for completion, and are most essential from the buyers' viewpoint.

This year consideration is being given to allocating some funds for expansion of the weight-scale factory in Lublin, so that more of this indispensable equipment which is in short supply can be supplied to the retail sector.

Director Hildebrand emphasized that the fund was not established, as some people believe, to relieve the enterprises of the task of expanding their facilities. This is only a form of assistance to those enterprises which need it the most, which want to invest in buildings important to the public and are not able to do this by themselves. It should be mentioned that generally money out of the fund is allocated in the form of long-term loans which the enterprise begins to repay when the facility is finished and begins to earn money.

Who has a real chance of obtaining this assistance? Application has to be made to the Ministry of Domestic Trade and Services. This application must be approved by the treasury, the bank, and the provincial governor. This document should contain information not only on the purpose of the investment, but also on the enterprise's financial status. It should also state whether documentation has already been prepared for the planned building, and whether a site, contractor and the necessary materials are available. Only then will assistance from the retail sector development fund be considered.

9295
CSO: 2600/567

RUMORS ON CLOSURE OF LUBLIN COAL FIELD PROJECT REFUTED

Warsaw ZYCIE WARSZAWY in Polish 20 Jun 86 p 1

[Article by (kmk): "Twenty-five Hundred Tons of Coal Daily from Bogdanka"]

[Text] Recently, various views of our newest coal basin in the Lublin area have been aired; rumors have even been circulating about the closure of this investment project. However, the Planning Commission has allocated more, though modest, funding for sinking new mine shafts in the draft national socio-economic plan for the current five-year peroid.

Meanwhile, at Bogdanka, the first pilot and production mine, the miners have begun working the second longwall. This will bring about an increase in daily output of coal from 1,000 tons so far to about 2,500 tons. In the mine, they see this moment as overcoming an important threshhold in developing the basin.

It should be recalled that the Lublin Coal Basin has been in development for more than 10 years now; that particularly difficult geological and mining conditions have been encountered; that the mines in this basin will be much deeper than those in production so far. For this reason, special equipment which can stand up to high pressure and temperature and hard rock is being prepared at the Polish mining equipment factories especially for the Lublin Coal Basin. The next shaft of Bogdanka is to be commissioned in late 1988. Following that, the mine will produce about 6,000 tons of coal a day.

9761
CSO:2600/566

SURVEY FINDINGS ON RESOURCE CONSERVATION HABITS

Warsaw ZYCIE WARSZAWY in Polish 11 Jun 86 p 3

[Article by B. Dr.: "Why We Are Not Thrifty"]

[Text] The OBOP [Center of Public Opinion Research] of the PRTv [Polish Radio and Television] carried out in March of this year a survey on thrift and wastefulness at the national, enterprise and household levels. The respondents, a representative random sample of the total adult population, were asked whether the Poles can be called a nation of thrifty people. Thirty-two percent of those surveyed answered in the positive, and 61 percent in the negative. Thus, the belief that thrift is not a national trait dominates social self-evaluation.

Respondents who expressed the opinion that we are not thrifty were asked to indicate the causes of this state of affairs. References to our culture and hereditary national traits, such as carelessness, wastefulness and lack of husbandry, were by far the most frequent. Occurrence of these traits is considered to be an objective factor of sorts: We are what we are. A small segment of those polled acknowledged that the formation of these traits can be ascribed to numerous wars, crises and a long lasting lack of independence in our history.

Close to one-half of those noting the lack of saving habits among Poles sees the reasons for that in the cultural heritage. Among other reasons quoted, two basic ones may be pointed out: human attitudes and features of the economic system. The causes of the lack of thrift were quite frequently sought in economic shortcomings and poor organization. Inadequate management, bad organization of work in enterprises, and especially the lack of supervision, coordination of activities and incentives to counteract wastefulness were pointed up. Also, references were made to the economic crisis in the country, inflation, small likelihood of amassing adequate resources for desirable purposes through conservation, and the lack of sought-after goods in the market as factors discouraging conservation at the individual level.

The less numerous group of responses tied the lack of conservation awareness with the attitudes of people and mentioned the lack of genuine desire to conserve. Thus, the OBOP survey showed that the lack of conservation habits

is explained primarily by the national heritage, then by the unfavorable features of the economic system and, to a smaller degree, by human attitudes.

Further on, the survey probed the attitude of our society to social property. Two questions were put to the respondents: do our people care about property and, in general, how do they treat those who have no respect for it.

Only 22 percent responded positively to the first question; 72 percent responded negatively. In response to the second question, 59 percent stated that they encounter indifference towards the lack of respect for common property, 17 percent reported leniency and only 19 percent of those surveyed said that the lack of respect for common property casues social condemnation.

Thus, the dominant conviction in public opinion is that lack of respect for cmoomon property is widespread and the attitude to the manifestations of these types of behavior is one of indifference or even indulgence.

Wastefulness is perceived by public opinion as an omnipresent phenomenon. Eighty-three percent of those polled believe that they encounter its manifestations often or very often.

In an effort to find out where the populace sees possible sources of savings for the country, the respondents were asked: "It is known that Poland is not a very rich country; where could the greatest savings be made?"

A large share of respondents enumerated what should be saved without indicating how this could be done. The following were mentioned: coal, energy, fuel -- 24 percent, various materials (especially construction) -- 18 percent, recyclable raw materials -- 11 percent, food -- 6 percent.

The remaining responses can be classified depending on whether the sources of savings, in the opinion of those surveyed, should be sought in the organization and management of the economy or in the quality of people's work.

It turns out that opportunities for conservation are much more often seen in the sphere of phenomena not directly associated with the quality of work of particular individuals. In the opinion of respondents, savings could be secured primarily by better economic management countrywide, observing economic laws, as well as better organization of work in enterprises, counteracting wastefulness and ensuring proper utilization of worktime.

Respondents working in socialized enterprises were asked to evaluate the degree of waste of materials, energy, labor and equipment and tools in their enterprise. Compared to observing waste in the country at large (83 percent of the respondents said its manifestations were frequent), registering wastefulness in one's own enterprise turned out to be unquestionably less frequent.

Twenty-one percent of those polled estimated the extent of wasting labor in their enterprise as great, and 39 percent as small. The extent of wasting energy was estimated by 20 percent as great and by 47 percent as small, and of wasting raw and other materials -- respectively 17 and 38 percent.

It is difficult to determine unambiguously the root cause for this appreciable discrepancy between these views and the almost unanimous opinion on the frequent occurence of waste nationwide. We should recall not only the natural tendency to be less demanding with regard to one's own group, but also the fact that the view of national situation is a relatively stable circulating stereotype and is based on one's own experience only to a small degree.

The same group of respondents employed in the socialized sector was also asked to identify the reasons for wastefulness in their enterprises. Factors associated with the organization and management techniques dominated among the specific answers. Improper management, poor organization of work, lack of incentives to conserve in enterprises, inadequate control and penalties for wastefulness were brought up most frequently.

The issue of conservation in households was also included in the March survey by the OBOP. Throwing away food, use of energy, gas and coal and the attitude to saving money in PKO [General Savings Bank] accounts were included.

The respondents were asked about the frequency of throwing away food. An overwhelming majority, 74 percent, do not do that at all; 24 percent state that they do it occasionally. Bread is thrown away most frequently, followed by expired or spoiled foodstuffs as well as processed pork and deli foods. Over two-thirds of the persons who do throw away food stated that they do so due to the bad quality of products at the time of purchase.

Questions were also asked about the opportunity to save electricity, gas and coal. In the opinion of 31 percent of respondents, the use of electricity could be more sparing whereas less gas (83 percent) and coal (84 percent) than thus far cannot be used. In the opinion of 80 percent of respondents, raising the prices of electricity, gas and coal would not result in more efficient use. The respondents see the use of these energy forms in their households as well-considered and thrify.

The attitude towards savings at the PKO was a basic question of the survey. Forty-two percent of those polled see a reason to accumulate funds in PKO accounts, 46 percent think that saving does not make sense and 12 percent have no opinion.

Older people over 50, and especially over 60, are more convinced that accumulating funds in accounts is worthwhile. The statement that this is a favorable investment due to the interest, the bonus lottery and revaluation of savings was the main argument for saving at the PKO. Inflation, rising prices and declining value of currency were most often quoted among the arguments against saving in the PKO.

9761
CSO:2600/566

POLONIA FIRM POLICY IMPLEMENTATION CRITICIZED

Warsaw POLITYKA in Polish No 24, 14 Jun 86 p 5

[Article by Jerzy Loch: "Longing for Consistency"]

[Excerpts] The idea of making use of the capital of Poles living abroad is currently coming up against exactly the same things as many of the undertakings of the past 40 years: boldness of concept, nervous reactions to the first negative responses and the lack of consistency in bringing matters to a conclusion.

On 28 July 1983, changes were made in the law. A year and a half later, on 31 January 1985, it was amended a second time. The first time, the income tax rate was raised by more than half and the compulsory resale to the state of 50 percent of the foreign exchange obtained by companies from exports was introduced (up to now, it was 50 percent of the surplus of exports over imports making it possible to finance indispensable purchases of fabricating materials or machinery from abroad). The possibility of making use of the exemption from income tax for the first 3 years of an enterprise's existence was also made subject to allocating at least one-third of the profits obtained during that time for investments. On the other hand, in January of 1985, the capital ceiling was raised: from that time on, in order to conduct business activity in Poland, it has been necessary to have at least $100,000 of which half is to be deposited with the state.

How Should These Changes Be Assessed?

Undoubtedly, it was necessary to raise the capital ceiling because it eliminated from the Polish market possible swindlers, whose intent was to get rich quickly by means of various schemes and speculation. An example of this is the Damarin firm in Poznan, which has already been closed down, and which rented rooms in a hotel in Naramowice where the firm's own labels were pasted on packages with vegetable and fruit products purchased from state enterprises. In addition, making exemption from taxes dependent on the condition that a portion of the profits be reinvested is intended to eliminate cunning operators who want to get rich quickly during the tax waiting period in order to later close up shop. Undoubtedly, therefore, both of these changes should be assessed positively as protecting the national interest. On the other hand, the

raising of the income tax rate is more controversial. Those interested in setting up businesses were enticed by liberal conditions which subsequently worsened drastically.

It turned out that the introduction of the necessity to resell to the state 50 percent of the foreign exchange obtained from exports was a totally unfortunate move. Prior to this, a firm was able to deduct the foreign exchange input into production from the amount earned from foreign sales. Therefore, to raise the quality it was worthwhile to import raw materials, components and new technology; it was also profitable to maximize exports. Currently, however, the firms are turning away from exports while scrupulously counting how much foreign exchange they must earn in order for the owner to be able to conduct the appropriate transfer of profit for a given year. Moreover, they prefer to substitute traditional production with so-called upgrading processing or simply speaking, with the sale of only cheap Polish labor.

Therefore, the minister of finance has revealed a short-lived, spectacular increase in the inflow of foreign exchange into the treasury, whereas the minister of foreign trade is now worried about the diminishing curve of exports and the Federation of Consumers is complaining about the decreasing quality of products on the domestic market (the lack of the aforementioned foreign exchange input!). In the meantime, consumers continue to be frightened away by prices, which the firms were forced to raise in order to compensate for the losses incurred from the compulsory sale of foreign exchange to the state at--in their assessment--a rate 50 percent lower than the official rate of exchange. Therefore, three main goals, which were placed before foreign firms when the decision was made to agree to their existence in Poland, were jeopardized by this one move. They no longer enrich the Polish consumer market as they did in the beginning; they no longer promote the export of goods manufactured in Poland and do not enrich the production base with modern technologies.

Has anyone as yet conducted a complete balance of the benefits and losses? I doubt it. Just as I doubt whether anyone conducts an extended comparative account when making fiscal decisions...

Too Little Imagination

Last year, during a meeting organized by the PRON National Council with the representatives of firms from southern Poland, a journalist asked a manufacturer of sports footwear why he does not make such shoes for children as well. His answer: "Because with a high turnover tax, they would have to cost so much that I would be called a bloodsucker." Ultimately, therefore, this tax did not go into the state coffers, and there are no children's shoes on the market whereas subsidies for state enterprises that manufacture for children flow from the state budget! Would it have not been better to dispense with the turnover tax, collect income tax, have shoes in stores and save on subsidies for state factories? Undoubtedly. The only thing is that the accountants lacked imagination.

Another hindrance to having these firms bring more benefits for the country is the blind, bureaucratic procedure of conducting specific, set types of activity. In accordance with the practices currently in force, a Polonia firm cannot for all practical purposes set in motion the production of something that has not yet been produced. Licenses are granted on the basis of the so-called systematic statement of products; i.e., a register whose idea was to place statistics in order. Meanwhile, the role has been reversed and this register serves to create production types, thus, becoming the basis for granting licenses.

Things are becoming paradoxical: a firm that has permission to manufacture electronic equipment for medical purposes cnanot sell only electronic subassembly units, of which it has too many, and cannot manufacture equipment for environmental protection because this already is a different statistical number in the systematic register of products. In such a situation, can we be surprised by the frustration of the people desiring to link up their future to coproduction with Poland? And this is not only in the area of small capital but, above all, larger capital. Many potential partners for participation in joint ventures on the basis of the new legislation on joint ventures are still waiting. It means nothing to them that the authorities keep on declaring their good intentions. What is of importance to them is, above all, everyday practices and these are full of double meanings.

Thus, a state enterprise is about to finalize a very advantageous contract. Everything is going well until it turns out that the bidder is a Polonia firm. The director withdrawn explaining in confidence that he can make excuses for unfavorable production results but never for cooperation with a Polonia firm.

The bias of certain mass media is also obvious. The Dziennik Telewizyjny [TV News] has not as yet broadcast one bit of positive information about these firms. However, a clinical example of this from recent days is the article by Iwona Jurczenko-Dzieniak, who without even paying a visit to the firm to which she devoted a great deal of defamatory criticism and without even looking into bank data or that of the Ministry of Finance which could explain everything, preferred to hint on the front page--as is the style of RZECZYWISTOSCI--about "suspicious foreign interests."

Confusion begins to set in the minds of even the most serious western businessmen. Do they want us in Poland or not?

The Latest News

The latest official information supports the declaration made thus far about the necessity of coproduction. At the session of the Government Presidium on 2 June of this year, it was accepted as advisable to further the moderate and selective development of the activity of foreign small manufacturing businesses in Poland accepting as reasonable the projections of the Ministry of Domestic Trade and Services that by the end of the

current 5-year period, the number of firms currently in operation should increase to 800 whereas turnover is to increase from 160 billion zloty last year to 220 in 1990.

The key objective of the policy toward these firms is to encourage them to bring new technology and use the nation's technical ideas as well as to set in motion production with a significant degree of processing and to increase exports. It is also envisaged that coproduction with the domestic industry through, among other things, the use of the venture method with socialized enterprises will develop. Moreover, the necessity of giving preferential treatment to the needs of health protection, exports and anti-imports [antyimport] was established. There were even proposals to include the Polonia partners more widely into the framework determined by international agreements on cooperation between small and large enterprises. It has been recognized that the basic desired features of enterprises in Poland should be flexibility and energy in reacting to the needs of the Polish economy. Can anything else be desired? Yes!

If we were to compare the declared objectives with the existing specific regulations, it would be obvious to the naked eye that the declarations are in conflict with the solutions employed every day. Therefore, what is needed is either the consistent adaptation of implementational regulations to the adopted strategic goals or a change in these goals. Otherwise, the participants of the upcoming 12th Polonia Economic Forum commencing in the next few days in Poznan will again start to wonder why the highest echelons are giving themselves so much trouble in constructing a program which, it is known in advance, is not always possible to implement.

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SOCIOPOLITICAL ASPECTS OF ECONOMIC REFORM STRESSED

Warsaw ZYCIE GOSPODARCZE in Polish No 22, 1 Jun 86 p 16

[Article by S.C.: "Greater Dimensions"]

[Text] The word "complex" is making quite a name for itself these days. It is being said that the reform is still not complex and that this is its weakness; that the strategy of development should be approached in a complex manner, otherwise the program of the particular branches may lead us astray, etc. There is a lot of truth in all of these statements. However, I would add to this that the most important issue--during the period of discussions on the outlook of our country in the year 2000--is the combined treatment of the ideological, social and economic problems. Their interrelationship and determining factors are so strong that separate programs can lead to consequences that may turn out to be unrealistic and impossible to implement. After all, the strength of the party program must depend on, among other things, that in finding ways to "make possible that which is necessary," it [the program] should concurrently place all set goals on a strong foundation of reality.

These considerations come to mind when reading many controversial statements, among others, those of Henryk Rot in POLITYKA ("People and Mechanisms") and those of Mieczyslaw Kaminski in IDEOLOGIA I POLITYKA ("Problems of the Party's Socioeconomic Strategy"). The first author ponders over the directions of the modernization and transformation of sociopolitical and legal-structural mechanisms whose goal is to strengthen and develop the norms and values of a socialist civilization.

I believe it is worthwhile to look at economic reform within this context as well. Is it only a lever, whose purpose is to serve the improvement of economic efficiency, or perhaps a sociopolitical mechanism with a broader meaning? Undoubtedly, the Ninth Party Congress also treated the reform within this second context. However, to what extent does it [reform] fulfill expectations not only as a lever of better management but also as one which shapes attitudes of commitment, a sense of responsibility, civic criticism and concern for the common good, etc.?

This is a very difficult assessment but, undoubtedly, many pluses can be entered here for the good of the reform. We are beginning to take costs

into consideration more extensively both in terms of production costs and the social costs of particular solutions. We are attempting to better tie in advantages to work input and to understand that it is not always worthwhile to be average. There is still a lot of opposition on this road but a certain step forward has been made.

In discussing the role of the Sejm, H. Rot stresses that more attention should be placed not on increasing legislative activity but on regulating the implementation and improvement of already issued legal acts. We have to agree with this, although a certain consideration comes to mind here. No legal act, which regulates the problems of the economy, is capable of predicting all situations which life brings. In any case, I do not feel that such ambitions are held by the legislators of the law relating to the reform. Their aim was, above all, to define the fundamental principles and logic of changes which are to serve as guidelines for people engaged in economic activity. Unfortunately, another way of thinking is beginning to be more and more generally accepted.

It is my dream that everything that is consistent with the logic of the reform and that has not been prohibited by law be allowed. However, a different approach appears frequently: that everything that is not contained in legal acts is illegal regardless of the stand on the general principles and regulations. Recently, I had a similar experience myself in trying to push through a solution which--as everyone agreed--was consistent with the logic of the economic reform and which was not prohibited by any law or regulation. The answer was: "Yes, that is true but we cannot agree to this because no law or regulation allows it."

I am afraid that with such an attitude, the legislative activity of the Sejm will have to be enormous whereas the effects of the reform--also in this broader sense--small.

In reporting on the program draft plan, M. Kaminski stresses the need for reconciling the principles of social justice with the exigencies of efficiency. Unfortunately, he does not expand on this idea and that is too bad because this reconciliation also requires certain ideological solutions and, at least, discussion on this subject--discussion that is not at all unimportant for very specific and downright "worldly" solutions within the financial and economic sphere. The increase in efficiency, which is to bear effects in the future in the form of a faster rate of increases in the national income and, therefore, the greater satisfaction of the material needs of the public, does not become implemented "for free" but requires the undertaking of specific outlays. In addition, the question of who, to what extent and why, is to currently bear the inevitable costs associated with future progress is not at all unimportant.

Therefore, if I began this interview from a complex point of view, among other things, it is because we shall not come to terms with respect to the future of the economic reform if we do not treat it in a dimension that is much broader than economic.

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BRIEFS

UNDP AID PACKAGE ACTION--PAP correspondent Edward Dylawerski reports from Geneva: the 33rd session of the UNDP [United Nations Development Program] Executive Council reviewed the program of technical assistance to Poland for 1987 through 1991. The council approved the breakdown and mode of using the UNDP grant for our country in the amount of $3.3 million as proposed by the Polish side. These funds will be used to carry out technical assistance projects in agriculture and food processing, industry and scientific-technical progress, occupational safety and health as well as individual training of Polish specialists in many fields important for the national economy. During two decades of cooperation with the UNDP Poland has received a total of over $25 million in grants for technical assistance. [Dispatch from Geneva: "UNDP Aid to Poland"] [Text] [Warsaw RZECZPOSPOLITA in Polish 18 Jun 86 p 7] 9761

CRETE POWER PLANT CONTRACT--The H. Cegielski Foreign Trade Office and the Western branch of the Swiss firm, Brown-Bovery, signed a contract in Athens on 24 June with the DEI Greek state power enterprise for the construction of a complete diesel power plant in Limoperamia in Crete. Six generating sets will be installed there. The drive motors, which represent the newest generation of diesel motors and are noted for low fuel consumption, will be produced by in the Cegielski Works in Poznan. The power plant design as been contracted to ENERGOPROJEKT in Katowice. The first power from the Lineoperamia power plant will flow within 19 months from the signing of the contract. [By Tadeusz Pasierbinski, Athens correspondent] [Text] [Warsaw TRYBUNA LUDU in Polish 25 Jun 86 p 7] 9295

REPORT ON SOVIET IMPORT TRAFFIC--The staff at the Zurawica-Przemysl-Medyka border stations has already accepted over 5 million tons of Soviet raw materials and other commodities this year. From the USSR we received mainly raw materials for our metallurgical industry, including ore, iron headings, open-hearth pig iron and coking coal. Other important items are agricultural machines and equipment, including tractors. In compliance with existing agreements, we are also receiving through this "dry port" nonferrous metals, various types of chemical products and liquid fuels. [Text] [Warsaw RZECZPOSPOLITA in Polish 23 Jun 86 p 1] 9295

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INA OIL ENTERPRISE EXPLAINS OPERATING PROBLEMS

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 9 Jun 86 pp 32-33

[Article by R. Vuger: "INA-Naftaplin: Diminished Financial Capabilities"]

[Text] INA-Naftaplin planned for this year an output of 3,086,000 tons of petroleum and 2,190 million m^3 of natural gas at a planned price of 70 dinars per kilogram of petroleum and 23 dinars per cubic meter of gas. However, the price of domestic petroleum, which follows the import price, fell first to 56 dinars and then to 47.33 dinars per kilogram, and this has pretty much disrupted all the calculations. It is estimated that gross income will be about one-fourth less than planned, and the blow will be still greater to its ability to generate its own capital and funds for reinvestment. To be sure, the transfer of a portion of the funds from the unchanged retail prices of petroleum products to petroleum explorations moderates this situation, but the people at INA-Naftaplin say: "far less than we lost with the drop in oil prices."

The Temporary Nature of the Low Prices

The drop in oil prices on the world market turns out not to have been a blessing for everyone in the Yugoslav economy. Along with those whose deep-rooted and widely used "alibi" for the rise of all costs and prices has been shaken, this applies still more to domestic producers of petroleum and gas. And most of all to INA-Naftaplin, which produces about three-fourths of the domestic output of petroleum. The rule that has been adopted of adjusting the domestic price of petroleum to world prices, which was a victory won at the time when they were rising, has remained in effect even now at a time when they are dropping, even though the retail prices of petroleum products dropped out of that system on the way down. The price drop was honored only for consumption of products in the process of reproduction, and the effects of that have yet to be seen.

"I would say, first of all, that we are continuing to maintain that automatic dependence between the domestic price of petroleum and the import price regardless of what is happening to us in the present situation. Especially since that situation cannot last forever: At present low oil prices even the world producers are not generating sufficient capital for further explorations and establishment of reserves; what is more, certain large oil fields are closing down because they are not covering costs. Present reserves are being

depleted, but since there is no substitute for oil on the horizon prices will have to rise so that there can be further explorations," says Eng Mavro Popijac, chairman of the Business Board of RO INA-Naftaplin, estimating at the same time that petroleum prices will probably stabilize in the foreseeable future at $18-22 per barrel.

At present, he added, oil is mainly selling between $13 and $20 per barrel, depending on the source and manner of supply. It is difficult to forecast how long this will last. Nevertheless, it is estimated that on that basis the computed price of domestic petroleum will not rise more than some 10 percent up to the end of this year. To be sure, much here also depends on the rate of exchange. According to certain computations made here to the effect that the exchange rate of the dollar has followed the domestic rate of inflation, the price of domestic petroleum would already be close to that planned price of 70 dinars per kilogram. Of course, this method of raising prices would not bring all the planning proportions back "into place," since it also presupposes a high growth of cost items.

Explorations in Spite of the Drop

By all appearances, according to the estimates provided us by Branko Kralj, director of the Planning Department of INA-Naftaplin, this year's gross income will be less than about $90 billion because of the lower price of oil, and that is slightly more than one-fourth of the planned 350 billion dinars. We must immediately add: INA-Naftaplin also planned outright investments this year amounting to about 100 billion dinars. What has happened to that under the altered conditions? There is a question mark over the projected volume and rate of progress, and therefore also over the future share of domestic petroleum and gas in total consumption.

In order to maintain the present level of output up to the year 1990 approximately one-fifth of present sources need to be replaced by turning reserves already discovered into working fields. Without those investments it is calculated that oil production would drop to some 2.5 million tons. Following this medium-term planning period the drop would be still greater unless investments are made to discover new reserves. As for gas, a doubling of output from deposits already discovered was planned during this medium-term planning period. And that presupposes quite large investments as well as further explorations of potential deposits. During this medium-term period annual drilling was to be about 260,000 meters, about 40 percent of it exploratory and about 60 percent development wells.

Last year about 95 billion dinars were invested in exploratory and development drilling. The growth of that item was also to have followed on the basis of an inflationary growth of costs, but by a change in the pattern of the work as well: exploratory drilling in the Pannonian region already costs about 520,000 dinars per meter, while in the Adriatic it costs even more than 1.4 million dinars. Exploration is going deeper and deeper and is therefore more and more expensive. In previous years the work was "raging," personnel became experienced, business collaboration also improved with domestic producers in providing substitutes for diverse imported equipment for exploration and

production in the oil industry, and it is said that the value of the savings of foreign exchange achieved in this way certainly amount to some $100 million already.

Priorities

Under the altered circumstances there was nothing else to do but to judge what was most important from the standpoint of present and long-term interests, and what had to be postponed. There is no doubt that committing about 47 billion dinars realized on the basis of the difference in the price of domestic petroleum to further explorations and production within the country makes the situation easier, although the "channels" for use are still not altogether clear, nor are the criteria for the disposition of these resources.

In any case the people at INA-Naftaplin give priority to projects which are already under way and where involvement of the World Bank has also been achieved. To be more specific, these are first of all the deep drilling in the regions of the Sava and Drava Rivers (plans call for 15 deep exploratory wells), and then completion and initial production of the Kalinovac gas field and construction of a gas storage facility and exploration of the Dinarids, which extend into four republics and probably a foreign component would be used for services, and naturally also the Adriatic region, where for the present the most certain hopes are being placed on the gas deposits of the Northern Adriatic. About 30 percent of the total value of these projects is being covered with a loan from the World Bank.

What about attempts to obtain "our own oil" by sharing in explorations and production of gas fields in other countries? The first specific fruits of the involvement in Angola provided great encouragement for continuation, and now that there is less profit on the cheaper oil, it is easier to make headway with such transactions. At INA-Naftaplin they have begun to work on the situation in Libya, Tunisia, Egypt, Syria, India, and indeed even Northern Yemen, and at least two projects are expected from this effort in the very near future. It is a favoring circumstance, we were informed by Bartol Kuvezdic, vice chairman of the INA-Naftaplin Business Board responsible for foreign exchange transactions, that primarily our technical and personnel potential would be committed on those projects (this organization possesses 18 drilling rigs for land explorations and another four have been ordered from the Split Shipyard and are to be completed within 4 years, and then there are also two "jack-up" platforms and one semisubmersible platform for offshore exploration, and so on), so that the diminished financial capabilities ought not to be an insurmountable barrier in that direction. The essential thing is that such projects be "recognized" in the country's balance of payments.

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DRAWBACKS OF SOCIAL OWNERSHIP, ADVANTAGES OF PROFIT SHARING

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 9 Jun 86 pp 28-29

[Article by Dr Tomislav Nikolic, Novi Sad: "Wrong Ideas About Ownership"; title and headings supplied by editors]

[Text] In light of the fact that the inappropriate treatment of social ownership as nonownership has led our society into crisis and brought about an erosion of the property it pertains to, an ever larger number of our scientists are advocating a reassessment and change of attitude toward social ownership. A different attitude is being proposed not only toward small-scale private ownership, but also toward collective worker ownership of the means of production. The proposal for introduction of worker ownership on the basis of shares would mean giving up the monolithic form of ownership in our country, and in practice we would have mixed forms of property relations.

As a reaction to the proposal for introduction of worker ownership of shares authors are coming forward who feel that this is an "anachronism" and means taking socialism back to capitalism. There have even been ideological charges to the effect that the proposal for introducing worker ownership on the basis of shares of stock under socialism amounts to a counterrevolution, and so on.

Taking Marx's criticism of political economy as our point of departure, in the discussion below we will point out the untenability of the view which allege that there is a danger if worker ownership on the basis of shares of stock is introduced. It is not true that it constitutes a danger or negation of social ownership. Nor is it true that this signifies a return to capitalism.

In analyzing the structure of ownership relations of our socially owned property Dr Ivan Maksimovic, member of the academy, rightly says that "socially owned resources...are the result of credit relations, they have been borrowed or purchased, and they now must be repaid." (See I. Maksimovic, DUGA, No 316, 5-18 April 1986, p 13.) If it is a question of credit, then whose resources are these? Academician Maksimovic points out that the creditors of our socially owned property are foreign capital and individuals as private owners of their savings account balances.

Let us listen to Dr Maksimovic. "Over the previous decade, during the period 1971-1983, according to certain computations, the depreciation of social

resources, that is, what ought to have maintained their value at at least a level of simple reproduction, has been short about $15 billion-- his is the figure we heard recently. And in 1985 the value of fixed capital barely covered the value of interest payments, which means that the value of our entire stock of socially owned fixed capital barely covered the national debt to the foreign partner!" (Ibid., p 13)

As for the other part of the sources of our socially owned property, i.e., the attitude toward the personal sector, Academician Maksimovic says: "If we add to this the datum that a large portion of socially owned resources is also built up from private savings--30 to 40 percent, then everything indicates that the equity of social ownership is practically nil, that the value has almost evaporated and vanished, and that what enterprises now possess is either the state foreign debt or debt to the private sector, that is, to individuals, which is a rather unconsoling overall picture." (Ibid., p 13)

Credits and Ownership

If that is the way matters stand with the equity of our social ownership, then the question is rightly put whether it is better to continue to maintain the credit relation toward the personal sector or whether we should allow a solid portion of that credit relation to be turned into worker ownership of shares of stock. Viewed in economic terms, the facts indicate that stockholding capital has an advantage over the credit relation with respect to the development of socialism, the development of social ownership and self-management. What does that advantage consist of?

First of all, as co-owners of socially owned resources the workers would be motivated to multiply those resources, since through dividends they would participate in division of the profit (or gain), and that is nothing other than a form of appropriation of the workers on the basis of their past labor.

Second, the workers would prevent the political bureaucracy, in a tie-up with the technocracy, from building "monuments" or wrong-headed investment projects. Only then would we get true self-management, that is, management of social capital on economic and self-management principles.

Third, the workers would have an interest in the reproduction of social capital (socially owned property), since their private property (the value of the shares) would depend on the reproduction and efficiency of socialist society as a whole.

Fourth, society would gain in this way in that the enigma would finally be resolved over the vagueness or more accurately indeterminacy of the identity of social ownership. Society would create the conditions so that every entity would be subject to risk and liability in the disposition of socially owned property.

Fifth, the growth of socially owned property in the form of social capital, which in reality would have a mixed form, i.e., a portion of socially owned and a portion of stock capital, would depend directly on the process of

generating domestic capital. A system of economic activity would be abandoned which in practice neglects the process of generating domestic capital and devotes all attention to the foreign debt, i.e., to importing foreign capital.

Sixth, the proposed system for distribution of personal incomes, which has been offered by the LCY Central Committee in the form of two parts of the personal income, would make it possible for the worker ownership of stock to be built up from the second portion of personal incomes, which would represent the process of augmenting socially owned property. For the benefit of the ideologues, for the benefit of all those who shiver at the thought of this proposal, it should be said that the socially owned property, once it has been formed as capital in the form of shares of stock, cannot leave the framework and jurisdiction of society. There can only be changes of the individual owners of the shares, which means that the workers can freely liquidate their private property in the form of past labor, but it would continue to serve the function of reproduction of socially owned capital and development of society's productive forces.

Introduction of social ownership based on worker shares of stock would also require certain changes in the way workers' self-management is organized and conducted. Dr A. Raic has this to say about that: "Introduction of an assembly or delegation (or council) of stockholders into workers' councils in our organizations of associated labor, with the corresponding right to influence the formation of the team of the technostructure (professional management) and business policy (especially the distribution of income and formation of the capital fund, and so on), would require an institutional supplement to the basic organizational form of associated labor." (See Dr A. Raic, "Causes and Consequences of the Statist Reduction of the System of Organizations of Associated Labor to Factory Self-Management," paper delivered at the scientific meeting entitled "The Working Class and the League of Communists Today," Novi Sad, 1986, p 17.)

Some authors judge the proposal made above to be an attack on self-management, and they say that this amounts to abandonment of the commitment that labor is the exclusive basis for appropriation. That is, the critics of worker ownership of stock are bothered about the idea that the co-owner relationship of the workers would result in introduction of appropriation on the basis of property (aside from labor), which according to them is contrary to the 1974 SFRY Constitution and contrary to the essence of socialism.

However, these authors are looking at the issue through ideological spectacles, and they cannot see that the self-management we have had up to now and also the statist (bureaucratic) and technocratic management of social capital, has also been based on ownership of social capital, and has not been based on work. It is a question of personifying the economic functions of social capital, not of whether social capital exists as a social production relation or not.

All these authors harbor the illusion that the essence of social ownership lies in the 1974 SFRY Constitution, rather than in practice, i.e., in real production relations. Their ideological vision of social ownership as nonownership cannot be a scientific argument in the discussion concerning the demand for introducing stock ownership by the workers.

By contrast with these authors, who take up the illusory ideological position that self-management constitutes the basis of society, Marx defines production relations as property relations and that under the conditions of the production of value. These are not merely relations between people, but on the contrary material relations between people, and in the production of commodities they figure as relations between things. The reification of social relations is not related to personal ties between people, but to the commodity form of the production of social wealth, and especially to its most highly developed and at the same time last form--the form of the production of value and surplus value. Aside from what has been said, many authors lose sight of the fact that for Marx direct social ownership, which was proclaimed in our country by the 1974 Constitution, signifies an absence of commodity production, an absence of the division of labor, which also gives rise to the production of commodities. For Marx, that is, direct social ownership signifies communism, i.e., a classless society.

However, many of our Marxists ignore Marx's concept of capital, its nature and essence. Instead of seeing that capital is that social force which brings about particular social relations, their point of departure is the argument that the essential thing is who manages social capital. That is, for them it is not essential that capital exist at all as an alienated production relation. As soon as capital exists, there also exist wage labor as its basis. Wage labor, according to Marx, constitutes the subjective essence of private ownership, which is why social ownership under socialism is still in the form of capital.

Whereas Marx wants the working class to do away with the power of capital as an alienated social force by developing the productive forces, and thereby also to free themselves of the slavery of wage labor, the effort in our country is to reconcile irreconcilable opposites. That is, many people want integration of wage labor and capital, which is also what the Utopian socialists wanted. All these authors and critics of stock ownership by the workers will have to explain to us, first, what capital is, but to do so in the spirit of Marx's criticism of political economy. According to Marx, by contrast with classical political economy, capital does not constitute only embodied labor (least of all a thing), but a social production relation!

That is, Marx interprets capital as an epochal production relation, and it is moreover a pure economic production relation. He has this to say on the point: "Economists do not conceive capital as a relation. They in fact cannot do so and at the same time regard it as a historically transitory and relative, rather than absolute, form of production." (K. Marx, "Theorije o visku vrednosti" [Theories About Surplus Value], Vol 3, Prosveta, Belgrade, 1978, p 211) And not only that. The historical existence of capital as a social relation depends on the existence of the bourgeois mode of production based on capital. "Primitive accumulation," Marx says, "...is only a separation of the conditions for labor as independent forces from labor and the workers. The processes of history represent this separation as a factor of social development. Once capital is here with us, then the maintenance and reproduction of that separation on an ever greater scale develops out of the mode of capitalist production itself until history takes a new turn." (Ibid., p 209)

Marx responds to the question of when that "new turn in history" will take place as follows: "The original unity between the workers and the conditions of their labor (here we leave out the slavery relation in which the worker himself belongs to the objective conditions of labor) has two main forms: the Asian community (spontaneous communism) and small-scale family agriculture (to which the cottage industry is related) in one form or another. Both forms are infantile forms and equally unsuitable for developing labor as social labor and the productive force of social labor. Which gives rise to the necessity of a separation, of a split, of an opposition between labor and property (which we should understand as ownership of the conditions for production). The extreme form of this split, in which the productive forces of social labor develop at the same time most powerfully, is the form of capital. It is only on the material basis which it creates and by means of the revolutions through which the working class and the entire society pass in the process of this creation that the original unity will again be established." (Ibid., p 325)

If the workers are to establish direct social ownership, productive forces must be created which make commodity production superfluous and the division of labor along with it, since it also makes commodity production necessary as an alienated form of society and social relations. On this point Marx says: "With free labor as the basis this is possible only when and if the worker is the owner of his own conditions for production. Free labor develops within capitalist production as social labor. When we talk about the workers becoming the owners of the conditions for production, then, this only means that they belong to the socialized workers and that the workers produce as such, subordinating their own production to themselves as social production. But to want to preserve wage labor and thereby also the basis of capital, like Proudhon, and at the same time to abolish 'troubles' by negating a derived form of capital--that is puerile." (Ibid., p 402)

When will social production be under the control of the producers? According to Marx, only when the division of labor is abolished and the alienation of the conditions of production along with it, i.e., when there is no longer an opposition between wage labor and capital. This is what he says: "The division of labor...would be just as possible if its conditions belonged to the associated workers, and the latter behaved toward the former as what they are /in natura/ [slantlines represent boldface in original] (emphasis T.N.) as toward their own products and the material elements of their own activity." (Ibid., p 210)

And then commodity production--Since socialism does not have the conditions for abolishing commodity production as a precondition for establishment of direct social ownership, the means of production continue to be in value or capital form, and not "the simple material prerequisite of labor," as the theoreticians of social ownership as nonownership assert. Through self-management and cooperative factories socialism must develop the productive forces of capital, and that is the only right road toward communism, i.e., toward the future new society. "From the moment when the bourgeois mode of production and the processes of production and distribution corresponding to it are realized to be historical, there will no longer be an illusion to the effect that these relations should be looked upon as natural laws of production, and prospects

are opened up toward a new society, toward a new economic social formation for which this mode of production represents only a transition." (Ibid., p 330)

As for the position of the workers in the cooperative factories, Marx writes: "Just as a portion of profit is looked upon as interest even when the industrial capitalist is using only his own capital, because this form has a separate mode of existence, so on the basis of the capitalist mode of production even when some worker has his own means of production, they are regarded as capital even when he does not employ other workers. A portion of his own labor which he has realized beyond the measure of what constitutes the ordinary wage figures as the profit which is owed to his capital. And the worker himself is then broken down into different economic types. As his own worker he receives his wage, but as a capitalist he receives his profit." (Ibid., p 325)

As we see, the proposal for introduction of worker ownership in the form of shares of stock under capitalism is based on Marx. We only need to remove the ideological blindness so that things appear as they are and so that we do not repeat ideological illusions about social ownership as nonownership. In the context of stock ownership the worker is divided into two person-functions. "As the possessor of the means of production, he is a capitalist, as a worker he is his own wage worker. He pays himself, then, his wage as a capitalist and derives his profit from his capital, that is, he exploits himself as a wage laborer and in terms of the surplus value of labor he pays himself the tribute which work is required to pay to capital." (K. Marx, "Teorije o visku vrednosti," Vol 1, Prosveta, Belgrade, 1978, pp 311-312)

By contrast with those authors who would like to portray the demand for introducing worker ownership in the form of stock as an attack on self-management and socialism, we have presented facts which argue exactly the opposite. Introduction of worker ownership of stock signifies a strengthening of self-management, since ownership of stock instills a motivation for raising labor productivity and motivates the workers to reproduce social capital. It creates conditions for the operation of economic coercion, and at the same time it introduces liability and risk for decisions taken.

If there is a danger, then the ownership of stock is a danger to the bureaucracy and to statism. It is high time to put an end to the superiority of politics over the economy. In writing this, we are thinking of the following warning contained in the classics of Marxism. "We truly belong among those who have the least desire for the rule of the bourgeoisie.... But we shout this to the workers...: It is better for you to suffer in a modern bourgeois society which with its industry is creating the material means of establishing the new society which will liberate you all than to go back to an outdated form of society which on the pretext of rescuing your classes will cast the entire nation back into medieval barbarism!" (K. Marx and F. Engels, "Montesquieu LVI," in K. Marx and F. Engels, DELA [WORKS], Vol 9, IRP and Prosveta, Belgrade, 1977, p 163)

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SLOW APPROVAL OF EXIT PERMITS SEEN IMPEDING FOREIGN TRADE

Prague VECERNI PRAHA in Czech 15 Jul 86 p 2

[Text] One of the most important tasks for our enterprises is to ensure sufficient exports to cover import needs for raw material and finished products. That is valud generally, but more specifically it is so for the engineering industry because it provides the major portion of our exports. It is the task of machine builders to offer products to our foreign partners that are highly competitive; it is the responsibility of the economic and other areas to lay the necessary foundations. That means attending to dozens of little problems. We encountered one of these not long ago during our discussions in the concern enterprise TOS Hostivar.

The plant produces machine tools and also exports them to non-socialist countries. These are now of a numerically controlled type which has brought about many changes [in the way of doing business]. In the first place, when a customer purchases such a machine, to replace two or three conventional tools, a 100 percent service is required, which is logical. This equipment is expensive and highly productive, making any defects very costly. A downtime cannot actually be made up any more because such [expensive] machinery cannot be kept in idle reserve [to be used only as a replacement when needed]. The customer requirements for rapid service is, therefore, very strict: 24-48 hours from the time a failure is reported. And such repairs are also being demanded to be performed outside regular working hours. It is the responsibility of the manufacturer to provide such service. Such clauses have now been appearing in the majority of purchase orders. Thus the situation: if we want to sell, we must meet the condition.

So how does the situation appear?

The people at TOS Hostivar summed it up briefly: "Technically it is no problem. A technician is ready at a moment's notice to go make the repair. What we are unable to achieve is to ensure that he can leave the country within the specified time period. And that, even though our technicians have current passports and exit visas."

Presently, the procedures are roughly as follows: Every departure has to be approved by the plant, the VHJ [Economic Production Unit], industrial branch, interior ministry, etc. This routine and inflexible process consumes at least three or four weeks--which our foreign customers are not willing to accept.

Thus, back to what we discussed in the beginning. If the engineering industry has its tasks and it is to fulfill their requirements unfailingly, we have to consider other matters connected with foreign trade as well. This is one of them and, for cases like this, there should be some routine procedure which could maximize the operation of services for our foreign partners. That, too, is necessarily a part of the requirement to be met by those who want to export.

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MINOR PARTIES' FUNCTIONS, MEMBERSHIP OUTLINED

East Berlin STAAT UND RECHT in German Vol 35 No 4, Apr 86 (signed to press 27 Feb 86) pp 275-287

[Article by Friedel Harder, of the Department of Allied Parties in the SED CC; Prof Dr Rolf Schoenefeld, of the SED CC's "Karl Marx" Party College; and Dr Manfred Zinssler, of the "Wilhelm Pieck" Youth College in Bogensee: "The Role of Parties Allied with the SED in the GDR Political System"]

[Text] Creatively and at the same time true to principle in all phases of the social development of the GDR, the SED has translated into reality the Marxist-Leninist policy of alliance and has, in close cooperation with the other parties and mass organizations in the democratic block and with all of the forces united in the National Front of the GDR, created a firm foundation of moral-political unity of our people. This policy, based on the interests of the working class and dedicated to the well-being of the people, the strengthening of socialism, and the preservation of peace, has shown itself to be the decisive foundation of the political and social alliance, because it is in accordance with the life interests of the citizens of all classes and social strata of the people. In the popular discussion in preparation for the XIth Party Congress of the SED, the political and social alliance, having matured in four decades of successful development, has shown itself to be an important driving force for the general strengthening of socialism. The parties allied with the SED have played an outstanding role in this.

"The time-tested policy of alliances of our party has been very important in the further organization of the developed socialist society in our country.... We are also building on the creative collaboration of the DBD, CDU, LPDP, and NPDP in dealing with the tasks that will confront us into the next millenium." (Footnote 1) (10th Conference of the CC of the SED. In preparation for the XIth Party Congress of the SED. From the speech of Comrade Erich Honecker, Berlin 1985, p 11.) The members of these parties make a significant politico-economic and intellectual-cultural contribution to the general strengthening of socialism and the safeguarding of its achievements. In all social areas they take part in realizing the policy of the main task and thus in the policy of the SED directed toward the well-being of the entire people. The allied parties are an indispensable and unmistakable element of the political system

of the socialist society in the GDR. Theirs is a significant achievement in the process of developing and perfecting socialist democracy as the main direction in which the socialist state power and the entire political system are developing in close cooperation with the SED, in order to use even more effectively the specific potentialities of the farmers' cooperatives and the intelligentsia, as well as the craftsmen and tradesmen, as the driving force for the strengthening of socialism and for the socialist motivation of the segments of the population closely connected with the parties.

Time-tested Partnership for Developing Social Democracy

The alliance of the working class with the class of cooperative farmers and the other social strata is always a question of strategic weight; its actual realization is always of fundamental importance for implementing the historic mission of the working class. The socialist revolution must sweep along the mass of the workers in the fight to overthrow the bourgeoisie and lead them onto the new socialist path. (Footnote 2) (Cf V.I. Lenin, "Works," Vol 29, Berlin 1961, p 42.)

In the present stage, the allied parties combine their faith in the socialist society and hence in the leading role of the working class and its Marxist-Leninist party with exacting guidelines for further impressing the socialist personality profile on the segments of the population close to them and with a diversity of activities for the economic and political strengthening of the GDR. Great efforts are made to deepen the national awareness, the friendship with the Soviet Union, the internationalist awareness, and the anti-imperial ist solidarity. All of this places the allied parties in a position to make their unmistakable contribution to strengthening the workers'-and- farmers'-state within the political system of the socialist society, in the people's representatives, the government agencies, and the National Front. (Footnote 3) (Cf to this entire complex of problems the extensive monograph "Policy of Alliances in Socialism," Berlin 1981, esp. p 18 ff, 147 ff)

The allied parties are important organizational forms for the participation of their members in the preparation, execution, and supervision of governmental and social decisions as the most essential factors in the socialist development of democracy. In the setting of the National Front of the GDR they play an essential role as coformulators of the basic political rights of all citizens of the GDR, having perceived their responsibility as bearers of the mandate for delegates to the people's representatives, through the influence of their members in the local councils and as mayors, and in the regional and district councils and central functions on the level of governmental or ministerial councillors. (Footnote 4 see table on following page)

The preparation of the XIth Party Congress of the SED shows once more that the allied parties regard this event, significant for all citizens, as their own affair. This is reflected in their contributions to the socialist competition and also in the popular campaign, "More beautiful our cities and towns--Take part!" This again makes clear their interest in fully seizing the possibilities of creative participation. Thus, for example, the annual work programs of the basic units of all the allied parties have as their central point concrete, multifarious initiatives and projects that aim at helping the SED

fulfil the tasks of its social strategy. In this way their members are mobilized for an active recognition of their rights and duties as citizens for the strengthening of socialism and the preservation of peace. The initiatives are directed particularly at increasing the productivity of those working in agriculture and in cooperative and private enterprises for the improvement of living conditions and of assistance, service, and repair efforts for the citizens.

Long-term Activity to Bring About the Basic Interests Held in Common

The policy of the main task in the unity of economic and social policy, decided upon at the VIIIth Party Congress of the SED, gave the party alliance a new, long-term content. This policy was confirmed as early as the Xth Party Congress of the SED: "Firm and trustful are the relations of our party to the Democratic Farmers' Party of Germany (DBD), the Christian-Democratic Union of Germany (CDU), the Liberal-Democratic Party of Germany (LDPD), and the National-Democratic Party of Germany (NDPD). The parties allied with us have a solid place in our society.... Our close collaboration will prove itself in the future and has a long-term prospect." (Footnote 5) (Report of the CC of the Socialist Unity Party of Germany at the Xth Party Congress of the SED. Reporter: Erich Honecker, Berlin 1981, p 123.)

With the creation of the developed socialist society, the perception already enunciated by Karl Marx is corroborated every day, that the proletariat, in seizing power, at the same time frees the entire society from exploitation and repression. On the basis of the dictatorship of the proletariat and the social ownership of the means of production, under the leadership of the working class and its party, all the strength of the people is directly interested in the creation of the new society and therefore uses more and more consciously and comprehensively the possibilities of creative participation in

Functions	DBD	CDU	LDPD	NDPD
Delegates, successor candidates, qualified citizens in parliaments and their commissions (People's Chamber: 52 delegates, 14 successor candidates)	23,100	22,686	12,919	10,407
Members of government & ministry councils, district & regional councils, mayors, deputy mayors, city & community councillors	2,100	3,615	2,262	2,132
Members of National Council of National Front of GDR, its presidency & secretariat, chairmen & deputy chairmen, members of other committees, secretariats, administrations, working groups	32,000	44,362	35,743	27,578
Directors of & in nationalized or cooperative concerns. Health & social organizations; cultural institutions	2,100	4,876	1,266	847
Judges, jurors, members of arbitration & conflict commissions	5,000	5,778	4,016	3,566

the leadership of the socialist state and of all social matters. With the further organization of the developed socialist society the leading role of the working class and its Marxist-Leninist party is enhanced. The rapprochement of the classes and social strata on the basis of the goals and ideals of the working class is thus the fundamental social process.
The process of rapprochement, historically of long duration, takes place in the dialectics of emphasizing the common ground of all classes and social strata, as well as reproducing the progressive social differences between them. This leads to a higher development of the socialist society and to the differentiated usage of the driving forces of society for the creative activity of all the working population. Taking as our point of departure the objective fact that different classes, social strata, and population groups have different life experiences and traditions and therefore differing interests, the present high state of development of the socio-economic, political and ideological foundations of the socialist society offers the possibility of using these different interests as primary driving force in the process of continually bringing about the basic harmony of interests.

Accordingly, existing differences between the classes and social strata are to be encouraged when they contribute productively to the realization of the social strategy of the SED. The complete transition to the lasting intensification in the entire national economy requires that the superiority of socialism be linked with the achievements of the scientific-technical revolution, and that the creativity of all classes and social strata and of every worker be targeted and developed. Past experience has shown that the more clearly the workers of all classes and social strata are aware of their objective common basic interests and of their equally objective specific interests, the greater are the possibilities of developing their conscious social behavior.

The political activity of the parties allied with the SED is closely connected with the dialectics of the common basic interests of the classes and social strata in socialism, and social-specific interests are connected with the dialectics of social, collective, and personal interests. These parties make their unmistakable contribution because they always represent the specific interests of their members in conformity with the basic interests of society. The policy of the SED and the socialist state to preserve the peace and to pursue the main task in its unity of economic and social policy, to develop socialist democracy, to consolidate the bond of brotherhood with the Soviet Union and the other socialist countries, and to unite in anti-imperialist solidarity coincides with the basic interests of all classes and social strata. For this very reason, the uncompromising realization of the program of the SED enjoys the energetic support of the entire people and is the socio-strategic orientation for the allied parties.

Irreplaceable Alliance Contribution to Strengthening the Socialist Society

The further organization of the developed socialist society places qualitatively higher demands on the work of the allied parties under the leadership of the SED in the release of driving forces. Therewith, more and

more, as component of and condition for the realization of social interests taken as a whole, specific interests and needs are articulated, evaluated, and realized.

In the political life of the DBD, CDU, LDPD, and NPDP, a particularly important emphasis in the creative party-political contribution to the alliance crystallizes out more and more forcibly: more perceptibly and unmistakably the parties contribute to helping the alliance partners of the working class to fulfil, responsibly and civic-mindedly, the specific contribution to the alliance that has arisen from its concrete socio-economic position and is irrreplaceable. The growing shared responsibility of all alliance partners allows to arise not only common but also specific motivations of the parties for deliberate civic actions of the workers of various social positions and differing ideology or religion. Here the dialectic of two emerging tendencies is significant:

1. As the society continues its organization, the cooperation of all parties, which direct their complex effectiveness, under the direction of the SED, at the main links in the chain of social strategy and at the realization of the basic interests of all classes and social strata, becomes stronger.

2. Within this process the individual, unmistakable contributions and the profile of each of the parties allied with the SED continue to find their expression. The socially differentiated effectiveness of these parties and the taking up by their members of socially specific interests that promote achievement get stronger.

As experience shows, the allied parties can fulfil this specific function because, based on socialist production and power factors and through the policy of the SED for the workers of all classes and social strata, the humane nature of socialism reveals itself more and more clearly and becomes a part of their social experience. In this way increasingly, socialist concepts of value and socially motivated actions are inculcated. In creative collaboration with its alliance partners, the SED insures that a scientifically grounded social and economic strategy will be worked out and leads with historic optimism the initiatives of all classes and social strata toward the implementation of the common interest in preserving peace, raising the material and cultural standards through increasing productivity, and further developing socialist democracy. Within the framework of these shared basic interests the SED deepens the alliance with all classes and social strata and itself works in them as in other elements of the political system. The alliance of the parties represents in this process a very important area.

For the role of the allied parties, from the viewpoint of the dialectic of interests, it is necessary to grasp precisely the objective content of the specifically social interests arising from the socio-economic context of their members and of the population elements close to them. These interests are determining for the specific viewpoint and the concrete access of certain groups of workers to the common basic social interests. In addition: access and view are substantially broken by ideological or religious and political convictions and not negligibly influenced by socially typical modes of thought and behavior, by differing aspects of the socialist way of life, by social

experiences, and by other factors. Taking note of the richness of this complex structure of determinants is the precondition for recognizing how the dialectic of interests develops as driving force in the actual political process, and how at the same time personal motives of social action make their appearance, among other things in order to organize this process politically. The allied parties consciously take up objective, specifically social interests and assist in developing them progressively, i.e., in each case finding such ways and means of realizing them as are consonant with the social goals as a whole and that contribute to satisying the needs of mankind.

From the broad field of socially differentiated interests there emerge specific functions of the allied parties:

The Democratic Farmers' Party of Germany understands under qualified party work an aggressively conducted political-ideological work oriented toward priorities to equip the members to solve the exacting tasks in continuing to organize the developed socialist society. It strives it make every member even more aware how important his activity is in raising the productivity of the national economy and that his contribution serves to strengthen socialism and thus to preserve the peace. The DBD sees in the personal contribution of every member toward strengthening socialism the most important concern of the party. Decisive motivations for this are deduced from the thirty years of successful development in the countryside, from the life force of the alliance of the working class with the class of the cooperative farmers, as well as from the correctness of the agrarian-political orientation of the SED program. Freeing the farmers from exploitation and repression, ending the political and social strife in the villages, including the farmers in the exercise of political power for the first time in history, eliminating the social uncertainty and existential dread--all these things are presented above all as the result of the ongoing policy of the SED and the creative application of Lenin's plan for cooperatives.

The significant increase in plant and animal production has led to growing prosperity in the farm families. As sources of this prosperity are named the workers'-and-farmers'-state, the cooperative ownership of the means of production, the education of the cooperative farmers, and the proverbial farmers' diligence. In this way the DBD makes clear that the alliance between the working class and the class of the cooperative farmers lies in the interest of the society as a whole and corresponds profoundly with the life interests of the cooperative farmers themselves. The party points the way to developing further the capacities and strengths of the class of cooperative farmers, to giving increased attention to the reproduction of the class and of the cooperative ownership, as well as to deepening the cooperative relations between the production of animals and plants.

The LPG have proved themselves to be politico-social communities whose economic potential must be developed even more effectively. The DBD sees an obligation to the alliance to cooperate even more purposefully, particularly in the villages, in improving further the spiritual and cultural conditions for a great increase in national-economic performance and in generally helping the culture and way of life of the developed socialist society in the country find their expression. In so doing, the party draws attention to the

improvement of the work of the village clubs, the partial preparation of the workers' festival and the cultural celebration of socialist agriculture, and the support of all undertakings of the intellectual and cultural life in the country. Suitable efforts are to promote economic thinking, professional pride, and all-round knowledge, as well as festivities, parties, art appreciation, and popular cultural creativity. (Footnote 6) (Cf "Resolution of the XIth Party Congress of the DBD," in: Minutes of the XIth Party Congress of the DBD 1982, Berlin 1982, p 363.)

The Christian-Democratic Union of Germany has as its members Christian citizens from differing spheres of life, churches, and religious communities. Different also are the motivations of their social engagement and the underlying historical experiences. What unites them is the common politically organized activity for peace, democracy, and socialism. Over and beyond all denominations they are joined together by the social consequences of the Christian ethic that obliges Christians to serve their fellow man and commits them to peace, active humanitarianism, and brotherhood.

This is in accordance with basic values of the socialist society and with the maxims of government policy. Animated by this understanding, the CDU respects the individual religious beliefs of its members, furthers their readiness to serve the socialist common weal, and gives every member, in accordance with his individual humanistic motivation, every possibility to shoulder joint responsibility and actively help shape the socialist society. In this the CDU stands in the progressive tradition of Christian thought and action for peace and social progress, and feels itself obligated to all those who have endeavored to realize the gospel of peace and justice in their conflict with the fateful alliance of throne and altar and in the fight against imperialism and fascism. Since socialism, in its struggle for peace, real humanism, and social progress, objectively embodies and fills with new life all progressive traditions, and in so doing makes clear concretely and historically the political and ideological breadth of the popular forces that uphold them, it is possible to develop variegated and differentiated motivations in today's fight for peace, democracy, and socialism.

In the orientation toward high personal achievements at the place of work also, main outlines of the CDU's motivation can be seen. Special motives of the will to perform are rooted in Christian virtues such as diligence and sense of duty, public spirit and thrift. From the Christian ethic the CDU emphasizes the necessary enforcement of a new socialist relationship to nature in people's thinking and action.

One specific side of the ideological effectiveness of the CDU is the work with Christian artists and the culturally creative. Building on the humanistic values of the socialist society, the fruitful climate of trust, the political and spiritual partnership, and the policy of alliances of the SED, the CDU motivates Christian artists to unmistakable contributions to peace, democracy, anti-imperialist solidarity, and socialism. These contributions preserve the rich traditions of the activity of Christian personalities for peace, social justice, and social progress, and are a reflection of the basic values of the Christian ethic such as the love of peace and of one's neighbor, and responsible living and acting, which are at the same time moral values of the social-

ist way of life. (Footnote 7) (Cf the articles of association of the CDU, Berlin 1977.)

The Liberal-Democratic Party of Germany emphasizes that in the community of all democratic elements it has the overall social responsibiity. The point of departure of its policy is not special interests but the overall social interests, above all the fight to preserve the peace and to realize the main task.

The LDPD is attentive to socio-psychological particularities and to the persistent differences in the development of awareness of the classes and social strata. It devotes itself primarily to the working population who are active in the fields of handicraft and trade, and to the intelligentsia. What is expected is active efforts on behalf of the policy of peace and of the main task. The way the LPDP sees itself is determined also by its own historical development, which has given the party its identity and which has been connected with an inner process of transforming it from a bourgeois- democratic party into a democratic party working in and for socialism.

Essential political motivations divert the LPDP away from the traditions of nonproletarian democratic forces and movements and petty bouregois democrats of German history before 1945. Here it is a question of those revolutionary deomcrats who since the beginning of the previous century have striven for the cause of the people, from the fight against feudalism to the fight against militariam, fascism, and imperialism. But it is also just as much a question of being the successor to the historic deserts of bourgeois-democratic forces and of militant humanists in the democratic cause such as Wilhelm Kuelz, Max Suhrbier, and Johannes Dieckmann. (Footnote 8) (Cf "Articles of Association of the LDPD," in: XIIIth Party Congress of the LPDP, Part I, Berlin 1982, p 146.)

The National-Democratic Party of Germany regards the all-round strengthening of the GDR as the most important goal of its political activity and stresses that the leading role of the working class and its party. as well as the alliance policy, is inseparably tied in with strengthening the GDR. To this end the NPDP lends its social weight. This attitude toward the question of power is the decisive criterion for the allegiance of its members to socialism. This clear profession, which has existed since the founding of the party, is expressed also in the orientation on the further consolidation of the socialist awareness of state and law. It is emphasized that the legal order opens up all areas of action to the forces of socialism and must be defended.

The party sees as the chief content of the ideological work the furthering and securing of the consciousness of the socialist state, in which socialist patriotism and internationalism are united. Crucial points are the education to the fulfilment of civic duties for the overall strengthening and protection of the workers'-and-farmers'-state, to conscious united activity with the working class and its party, as well as to consolidating the solidarity with the Soviet Union and the other countries of the socialist community. The NPDP emphasizes that it has always regarded "national" and "democratic," taken together, as elements of historic progress, and so has been able to contribute to overcoming nationalistic, pluralistic, and bourgeois ideas. The party

orients itself on the historical image of the working class and makes its own contribution toward making useful progressive, above all revolutionary-democratic traditions for the development of the socialist national consciousness. (Footnote 9) (Cf "Articles of Association of the NPDP," in: XIth Party Congress of the NPDP, Leipzig 1977, p 457.)

The allied parties base their efforts in the political system on positions that agree in principle, which can be summed up as the recognition of the SED as the leading power of the political system, the commitment to its social strategy and policy, and to its actively contributing to strengthening the socialist state. At the same time, they maintain contact discriminatingly with the interests of their members and the circles close to them. The more successful they are at perfecting their skills at differentiated ideological work, and the more clearly the parties help the alliance partners of the working class to find in the overall basic social interests their own specific interests and particular motivations, the more obvious will be the unmistakable contribution of the parties to developing the potential of the class of the cooperative farmers, the intelligentsia, the artisans, and the tradespeople for the organization of socialism and the preservation of peace, and the more clearly will the contribution of every party in the political system of the GDR of the 80's be recognized.

Close Cooperation for Mastering the Present Stage

The high social esteem that the allied parties enjoy, and the certainty, established in four decades of successful alliance policy of ther SED, that this alliance offers a long-range prospect for the success of the SED program, are good signs that the allied parties will do well in helping to formulate the developed socialist society.

The new demands regarding the cooperation of the SED with the allied parties are part of the efforts further to shape the leading role of the working class and its Marxist-Leninist party. Strengthening the leading role of the SED and the increasing social importance of the allied parties are dialectically bound up with one another. On the one hand, the quality of the leading role of the SED, which is in accord with the altered social demands, creates new spheres of activity for the allied parties; on the other, their effect strenthens the leading role of the party of the working class, in that a specific contribution to consolidating the confidence between government and people has been provided. In its capacity as party of the working class and of the entire people, the SED is effective in all social contexts. It organizes the alliance between the working class and the other classes and social strata. This overall social responsibility includes the operations of the allied parties and is the general condition of the alliance policy for the great social role of the allied parties.

With the establishment of the political system of the socialist society in the GDR, new possibilities of formulating the cooperation with the allied parties have come into being as the result of the successful policy of the main task--making real the meaning of socialism. More accurately than before, the potentials can be used that result from the fact that the access of many workers to an understanding of common social interests can be essentially broken away

from ideological, religious, and political convictions, and can be influenced by socially typical forms of thought and action, views of life and living conditions within the socialist way of life, by socialist experiences, traditions, and feelings. This plentiful structure of conditions determines the field of action of the SED as of the allied parties. As Egon Krenz explained at the state-and-law conference, the practice in the GDR refutes every attempt at defamation. "When bourgeois ideologues try to cast doubt on the leading role of the working class as well as the tried and true principle of the cooperation of all classes and social strata and of all political forces in the people, they merely prove once more how little everything that we are doing suits them.... If we are speaking of diversity of social relations, then we have in our state anything but a shortage. All five political parties and the social mass organizations are represented by delegates in the elected government bodies in our workers'-and-farmers'-state. Aware of their common responsibility for the well-being of the society, they work just as constructively together as the members of all parties and mass organizations conscientiously fulfil their duties in the governmental offices. (Footnote 10) (E. Krenz, State and Law in the Further Development of the Advantages and Driving Forces of the Socialist Society. Political Science and Jurisprudence Conference of the GDR on 27 and 28 June 1985, Berlin 1985, p 33.)

In the present stage as well, the allied parties always fulfil their functions successfully, because the SED has elaborated a strategy and policy that reach far into the future and make it possible for them to perceive better and better their specific responsibilities for achieving the overall social goals. There is no domestic or foreign-policy question that is not discussed exhaustively with the chairmen of the allied parties and the president of the National Council of the National Front of the GDR. Trustful discussions at the top level and in the regions, districts, cities, and communities are the expression of a qualitative strengthening of the SED's leading role and of the higher role that devolves on the allied parties in our society. These discussions allow the members of the allied parties to experience the high esteem in their spheres that is shown them by the party of the working class.

As has already been pointed out, the role of the parties is more strongly delineated in the further organization of the developed socialist society. This estimation is founded both on historical experiences and on the demands of the present and future development. "The cooperation with the Democratic Farmers' Party of Germany, the Christian-Democratic Party of Germany, the Liberal-Democratic Party of Germany, and the National-Democratic Party of Germany is characterized by deep mutual understanding and trust, by camaraderie and candor. Our high esteem is directed at their increasing independent contributions in the most diverse areas of social life, the results of which, whether in agriculture, trade, or the crafts, serve the welfare of the citizens. We agree with our alliance partners that, as we go this common road together, the coresponsibility of the allied parties will only increase. They are, in the truest sense of the word, our comrades-in-arms." (Footnote 11) (From the report of the Politburo to the IXth Congress of the CC of the SED. Reporter: Erich Honecker, Berlin 1984, p 53.)

For the deepening of the cooperation of the allied parties in the GDR the following points are determining:

1. At all times, the success of socialism in the GDR has proved to depend on concluding a firm alliance between the party of the working class and active, nonproletarian parties that articulate interests of allies of the working class. The experiences in the fight to implement the resolutions of the Xth Party Congress of the SED have shown that the quality of the particular contributions of the allied parties toward the strengthening of the socialist society is connected with their mature ability to make accessible the alliance partners' society-forming potential. In this, what is important is to bring to awareness, and continually to bring about, the coincidence of interests as the decisive concern that above all is to be answered by way of different discussions with cooperative farmers, members of the intelligentsia, artisans, and craftsmen, as well as through the activity of various commissions and study groups. In this way it is possible to have an increasingly better and appropriate influence on how people become aware that their interests coincide, so that specific interests can be represented. In this way the economic and other specificallly social driving forces of the alliance partners become more and more useful.

2. The social and political alliance has at all times given a multifarious impulse to the development of socialism in the GDR. Its historical achievements in their turn had a stimulating influence on the consolidation of relations within the alliance. This always presupposed the leading role of the working class and the growing responsibility of the alliance partners. It has been a deeply rooted experience of all classes and social strata that socialism and peace constitute a unity, and that only here social security, democracy, and humanity arise directly from the advance of social development. Precisely for this reason, the alliance partners could contribute and translate into reality their own progressive traditions and humanistic ideals.

3. The allied parties were and are participants in all fundamental social decisions and results. With the initiatives of their members and the closely connected working population they contribute to consolidating the state of workers and farmers. The development after the VIIIth Party Congress of the SED is a particularly obvious corroboration of this fact. Ideas and suggestions of the allied parties helped solve the problems of strengthening the socialist society. Valuable contributions were made above all in deepening the civic consciousness of the party members and in implementing the economic strategy of the SED.

4. Central to the activities at the present stage are the mass initiatives to fulfil the resolutions of the Xth Party Congress of the SED, as part of the broad popular movement in preparation for the XIth Party Congress. The initiatives reflect the life force of the alliance, which emerges from the experience of all classes and social strata that the policy of the SED, directed toward consolidating the peace and continuing the policy of the main task for the well-being of the people, coincides with the interests of all citizens, irrespective of their social origins and their religious or ideological beliefs. This policy gives to all the widest possibilities of actively participating in the work and the decisions on governmental and social matters. It

is at the same time a challenge to all workers to make use to an increased degree of the social possibilities granted them in the constitution with the basic right to participate in democratic organization.

5. The individual auras of the allied parties are inseparably associated with their continual politico-ideological and organizatorial consolidation. Previous experiences have shown that the essence of the individual contribution of every party basically depends on how it uses its specific motivational potential, how it takes into consideration the social and ideological distinctions, the differing degrees of awareness, and the life experiences of the party members and closely connected citizens.

In fulfilling the resolutions of the Xth Party Congress of the SED, the allied parties have applied themselves more consistently to their own party-specific initiatives for strengthening the economic productivity and solving community political problems. The great number of personal obligations and the economic results achieved are concrete erxpressions of the civic faith of the party members. These contributions are increasing in number, which is particularly to be seen in the areas of handicrafts, trades, and services rendered, as well as in the citizens' initiative of the National Front of the GDR. The striving for top performance in the socialist competition to increase agricultural production by the members of the DBD, the efforts for a secure peace as the most important social consequence of the Christian ethic, as well as the inventive participation in the socialist comptetition and in the "Take part!" initiatives by the Christian Democrats, the LPDP party initiative "Alliance contribution to economic growth," and the NDPD contest theme "Plan initiative" of the craftsmen and tradesmen--all these are eloquent expressions of that fact.

6. Because of the high esteem that the allied parties enjoy in the socialist society, and because of the interesting lives of their members, they are attractive to the cooperative farmers, the intelligentsia, craftsmen, and tradesmen, as well as to the religiously oriented citizens. These groups see in collaborating with the parties a good possibility to avail themselves more extensively of the personal responsibility for society.

The results achieved under the leadership of the SED in organizing the developed socialist society are good preconditions for the further development of the potentials of all classes and social strata. Massive activity on the part of citizens in perfecting socialist democracy and organizing the policy of alliance expedite historical progress, in that social driving forces are released that at the same time are a living expression of the assured historical perspective of the allied parties. The deputies in the local legislative bodies that belong to the allied parties have increased in number, as have the mayors and council members. Also the membership in the allied parties has increased continuously in proportion to their increasing social importance. (Footnote 12) (The overall membership of the allied parties increased from 386,647 in 1981 to 439,200 in 1985.) The political, intellectual, and economic achievements and the creativity of the allied parties are an indispensable element in the further realization of the program of the SED; for the "leading role of the working class enables the classes and social strata that are allied to it to make their own creative contribution to the further organization of the developed socialist society.... In the narrow and creative relations between the cooperating parties in the democratic block and the National Front ... this is vividly evident." (Footnote 13) (E. Honecker, "A World-Historic Deed That Also Freed the German People," Unity, 1985, p 296.)

PEACE GROUP DEMANDS NUCLEAR POWER REFERENDUM

Hamburg DER SPIEGEL in German Vol 40 No 27, 30 Jun 86 pp 47, 50

[Unattributed article: "Quickly and Carefully: Nuclear Power Critics in the GDR Want to Turn Off Atomic Power by Plebiscite"]

[Text] Horst Sindermann, president of the East German parliament, is having to get used to a completely new feeling for democracy: for the first time in the history of the first German workers' and peasants' state, GDR citizens have applied for a referendum--without asking the SED state party for permission.

In a letter "to the People's Chamber of the German Democratic Republic," four young East Berliners, all of them members of the independent East German peace movement, advised Comrade Sindermann last week that worldwide discussion on alternatives to nuclear energy has intensified since the Chernobyl catastrophe. "We would like to take this means of informing you of initiatives by various citizens which are based on the premise that the final decision about our country's future energy policy can only be made by means of a referendum."

Such a plebiscite, the writers continue, is "constitutionally grounded." "We request information from you as to the exact prerequisites and on the practical collaboration of citizens in the preparation of such a referendum, and at the same time we offer our cooperation."

Enclosed with the letter was the text of a "declaratory act" which has been circulating through the entire East German republic for a week and a half. It contains a demand for "a broad democratic discussion, and comprehensive information for the people as to the advantages and dangers of nuclear energy," in preparation for a referendum. At the same time, each signer affirms: "By my signature, I am supporting the request that the People's Chamber of the GDR arrange for a referendum on future handling of nuclear energy."

The initiators of the signature-gathering effort are availing themselves of a freedom expressly guaranteed in the GDR constitution. In Article 21 we read: each East German's right "to take part in determining and shaping" the socialist community "is guaranteed through the citizens'... expression of their will in referendums." And Article 53 provides that "the People's Chamber can decide to conduct referendums."

This is not precise--and doubtless is not intended to be. It is no accident that GDR citizens have discovered Article 21 of their constitution precisely at this time. The signature campaign of the East Berlin peace activists shows a new self-confidence; East Germans are increasingly insisting upon their right to political co-determination, as guaranteed by the constitution--thereby putting the authorities, who are accustomed to obedience and conformity, in an embarrassing position.

For these opponents, who stay strictly within the limits of legality in their criticism of the socialist state and its party, cannot be disposed of under the stereotype of dissidents.

The SED's critics articulate their lack of confidence in concretely existing conditions primarily in "petitions" to the authorities. To subdue the day-to-day dissatisfaction of many citizens with the stolid and disagreeable servants of the regime, the People's Chamber passed the "Law on Handling Submissions from Citizens" in 1975. It guarantees each GDR inhabitant the right to complain to a higher authority. The organs or functionaries concerned, all the way to the president of the Council of State, Erich Honecker, are obliged to answer every submission within four weeks.

In an SED Central committee session as recently as mid-June, Honecker gave "all party and government organs" marching orders to the effect that they had "a special obligation to handle" suggestions and submissions "quickly and carefully."

To be sure, the SED did not have political compliants in mind in passing the law. So the party is reacting awkwardly even to these pinpricks of its critics. The 21 GDR citizens, for example, who submitted to the SED first secretary a criticism of his party's social policy (SPIEGEL 1986, No 20) in time for the SED party convention, are still awaiting a reply, although the four-week deadline has long since passed. A petitioner who wants to dispute the People's Chamber elections has also heard nothing to date.

It is doubtful whether the SED can similarly dispose of the atomic energy referendum with silence. For the signature campaign could, thanks to Chernobyl, ripen into a mass movement. Already numerous East Germans who otherwise have no concern with the autonomous friends of peace have signed the "declaratory act."

The organizers, church employee Ralf Hirsch, 25, and physicist Martin Boettger, 38, do not know the exact number of signatures; just passing the text along is hard enough in a country which allows only a minority of functionaries access to photocopiers: everyone who signs obligates himself to copy out the declaration ten times himself and to pass it on.

Other East German groups and citizens have, independently of one another, demanded in submissions to the Council of Ministers that appropriate conclusions be drawn from the Chernobyl catastrophe.

As early as 1 May, a peace and environment group from the Berlin-Lichtenberg evangelical congregation called upon the government in writing to shut down all nuclear energy plants in the GDR. Since the beginning of June a seven-page "Appeal to the GDR Government and People from the Independent Peace and Environment Movement and Other Concerned Citizens," signed by several hundred sympathizers, has been in circulation throughout the entire country.

The gist: the true dangers of the nuclear energy plants have hitherto been minimized "in an unheard-of manner" in the GDR. The government must now "finally" reach "the appropriate conclusions" in the light of Chernobyl and question the "entire orientation of an energy and economic policy aimed at broad-based growth."

The GDR, as an industrial state, can afford to immediately abandon atomic energy even less that its class enemy in the West, even if it wanted to. It produces over 80 percent of its power from lignite, which is highly damaging to the environment, and 10 percent from atomic energy produced by the two plants at Lubmin near Greifswald and at Rheinsberg: but the atomic-power share is to rise, if the experts have their way, to some 30 percent by the year 2000.

Nevertheless, Rich Honecker showed last week that he has understood the mood in the country. The SED chief's words in an interview with the Swedish newspaper DAGENS NYHETER: "In my opinion, nuclear power is not the last word."

Yet the state council president's words are hardly addressed to the proponents of the referendum. In the interests of balancing and maintaining power, the SED cannot accept a plebiscite forced upon it from the grass roots. Instead, it is trying to deal with the organizers of the signature-gathering effort. Hirsch and Boettger were sharply called upon by the council of their home district to cease the illegal campaign at once. Otherwise they would have to expect punitive proceedings.

To the question as to what law they had broken, the two received no clear answer.

13070/9835
CSO: 2300/448

CC PARTY CONTROL COMMISSION VIEWS VOIVODSHIPS

Warsaw TRYBUNA LUDU in Polish 6 Jun 86 pp 1, 2

[Article: "Evaluate and Draw Conclusions Accurately--Central Party Control Commission Deliberations"]

[Text] The Presidium of the PZPR Central Party Control Commission met on 5 June. The participation of voivodship party control commissions in implementing the tasks undertaken by PZPR voivodship committees was evaluated. The evaluation was based on the results of a study carried out by task groups from the Central Party Control Commission in all voivodships.

In the analysis of these groups, particular attention was paid to the question of to what degree the voivodship party control commissions in carrying out their jurisdictive, supervisory, and preventative tasks presented the voivodship committees broad appraisals and conclusions for improving party work.

Analyzing the material presented, the PZPR Central Party Control Commission stated that within the past year the majority of voivodship party control commissions were able to accurately draw and properly generalize the causes of noted abnormalities and proposals caused by these normalities. The evaluation stated that the attention of the organization and party instances resulted in concentrating on efficient action against all negative occurences in the party's internal life. This generally positive evaluation does not, however, change the fact that some voivodship party control commissions should, according to the Presidium, support the voivodship committees with more firmly than they have so far in their actions.

In addition, the evaluation pointed out that voivodship party control commissions should inform party instances more comprehensively of negative occurences brought to their attention by party members and non-party citizens in letters and complaints sent to the commission.

Later in the deliberations the presidium evaluated the jurisdictive activity of the Central Party Control Commission in the first 5 months of this year. Adjudicative teams of the Central Party Control Commission investigated a total of 226 matters concerning party members who transgressed the principles of the PZPR Statutes. These adjudicative teams expelled 71 individuals from the party for particularly reprehensible conduct. They also looked at appeals concerning party punishments which have recently come before the presidium.

In addition, the presidium thoroughly analyzed the participation so far of Control Commissions of all levels in the campaign preceeding the 10th PZPR Party Congress.

The deliberations were led by Jerzy Urban, chairman of the Central Party Control Commission.

13073/12851
CSO: 2600/536

CC COMMISSION DISCUSSES TEACHER EDUCATION

Warsaw TRYBUNA LUDU in Polish 6 Jun 86 pp 1, 2

[Article by Bohdana Gajdeczkowa: "How to Educate Teachers?--The Work of the Central Committee Commission"]

[Text] (Own information) The education field needs well-prepared teachers who can carry out their duties dependably. The present system of teacher education does not satisfy schools and does not meet the expectations of society.

This was discussed during the second day of proceedings of the Central Committee's Commission on Science and Education, which was held 4-5 June in Turaw near Opole. Henryk Bednarski, secretary of the Central Committee, led the proceedings. The experience of the Opole regional system of teacher preparation, training, and further education was an exemplification of the topic. Stanislaw Rogala, director of the Teacher Training Division, briefed the members of the Commission on the system.

S. Rogala stated that the education and training of teaching faculty is too important a matter to rely on luck and spontaneity. One can start paying attention to worthy primary school youth who show a predisposition to teaching, in order that they choose the teaching profession.

He also confirmed the view that grammar school teachers in the course of preparing for the teaching profession should obtain the qualifications to teach two subjects, so as to be of the most use in school. Unfortunately, the situation is still prevalent that many subjects, particularly in grammar schools, are taught by teachers without the qualifications to teach them (for example, physics teachers teaching history). Despite the fact that they possess a college diploma in this case they are considered unqualified.

It would also be valuable if teacher training institutions followed the careers of their graduates. On the basis of the results it will be possible to adjust the entire education process.

Jan Marianski of the Ministry of Science and Higher Education presented the members of the commission with the main theses of the prepared project of a

modified system of teacher preparation. In accord with world tendency, the time of teacher education should be lengthened, and future teachers of all school levels should receive the same preparation. The project foresees the assurance of openness in the question of teacher preparation. Certain actions in this direction have already been undertaken.

In the discussion various aspects of education staff preparation were raised. Among other things, attention was paid on the social composition of students of the Higher Pedagogical School. The decided majority of them are graduates of college prep high schools, with intelligensia family background, urban residents, and, of course, female. It is possible that this is the cause of, among other things, the fact that upon obtaining a teaching degree employment in a village school is avoided. For them it is a completely foreign environment. The idea that preparation for the teaching profession need not take place exclusively through the university also came up in the discussion. Other forms of education of full worth must be assured.

In addition, attention was paid to the necessity of greater interest of educational authorities in preparation for the teaching profession. The problem is great but it is eclipsed by the needs of primary schools.

Commission chairman Henryk Bednarski, speaking at the end of the 2-day session of the commission, concluded that the problems, still too numerous, require attention if we are to speak of a model of teacher education which is to everyone's complete satisfaction. The directions for the work have been drawn-up. This should be reflected in the resolutions of the 10th Party Congress. Thanking the representatives of the Opole academic community for presenting the achievements of the Higher Pedagogical School and the Higher School of Engineering, he stressed the great meaning in further works on modernizing the system of education of teachers in the whole country.

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CSO: 2600/536

PRON ACTIVISTS ON YOUTH PARTICIPATION

Warsaw RZECZPOSPOLITA in Polish 9 Jun 86 pp 1, 3

[Article: "Youth Participation in Country's Life--Second All-Poland Meeting of Young PRON Activists"]

[Text] On Sunday morning 8 June, the second all-Poland meeting of young PRON activists was held in Warsaw. The meeting was groundwork for preparations to the Second Congress. They discussed the possibilities of active and mobilizing influence on their social and work surroundings, conditions of breaking the feeling of inability, the search for meaning of life in the creative treatment of everyday matters--in friendship, in improving one's character, will and mind. The opening point to reflections was the words of Jan Dobraczynski directed to the more than 500 participants of the session. The number of young members of PRON is growing. The monthly meetings have increasingly greater attendance, and the discussions at the meetings are increasingly livelier. The group of youth has already gone beyond the borders of discussion; they have begun to undertake concrete activities. Their example is the participation of youth in rebuilding the historic sights of Zamosc. Their help is appreciated there and is commented upon respectfully. The youth not only restore the old buildings, but prove that even in economically difficult times it is possible to enrich the country with historical sights if enthusiasm is joined with common effort. This refers to the harmonious cooperation of people with differing world outlooks--Marxists and Catholics. "This coalition activity"--J. Dobraczynski pointed out--"which should be the corner stone of the rebirth of the nation, is being implemented among the youth and testifies that such cooperation for the good of the country is possible. Don't get the idea into your heads that comfort and possessions can be the greatest goals in human life. It is necessary that youth take up the fight with everything that diminishes and degrades man..."

In the discussion young PRON activists presented some of their initiatives, recalling the statement that People's Poland is not only a national treasure but also in an equal measure the chance of the nation. In order to use this chance, it is necessary to begin with rebuilding the authenticity of social work. The first attempt, which was successful, was the "Zamosc 2,000" action. As Wladyslaw Chomicki, representing the city, described it--social work of youths from all over the country will last the entire year in the form of work training programs of different technical schools, art schools, etc. The task does not only have an educational quality but also a measurable material value, and youth is exceptionally sensitive to that.

All voices in the discussion referred to the line of socialist renewal, to the necessary conditions strengthening the process of the national understanding, to thinking through the possibilities to date of Poland's exit on the way of world development. It was practically generally stated that the success of undertakings in the socio-political arena are dependent on the moral renewal of society and the individual. The young generation looks more categorically and emotionally on manifestations of evil. It often sees the two-facedness of people, it hears their opinions "publicly" and "privately" expressed. This wakens feelings of lack of trust, discouragement, and repulsion.

The comments of the youth were critical, however objective at the same time. They concerned mainly barriers hindering spontaneous participation in social life. It was stressed that the young generation is of many world outlooks, and this fact should be taken into account. Krzysztof Bielecki, a Christian Social Association activist, accented that both humanisms, Christian and Marxist, arising out of the respect for man and his noble values, should be the basis and the tangential point for joint activity.

At the end of the session a document defining the tasks and the forms of activeness of young PRON activists in the period before the movement's Second Congress was prepared. It is emphasized that PRON activists do not stake out institutional borders for social work as social work should arise as a result of the needs of the young generation. All initiative will be supported which serve the formation of active and creative attitudes in workplaces, schools and institutions.

Participants in the meeting were: Jerzy Jaskiernia, Waldemar Swirgon, Zbigniew Gertych and members of the Presidium of the PRON National Council.

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CSO: 2600/536

PRE-CONGRESS VOIVODSHIP CONFERENCES

Warsaw ZYCIE PARTII in Polish No 13, 18 Jun 86 p 11

[Text] 26 May-- Representatives of the party and government leadership including Zbigniew Messner, BP member and prime minister, participated in the conference in Katowice. The following were also present: Jerzy Romanik, BP member; Manfred Gorywoda, deputy premier, chairman of the Planning Committee; Witold Nawrocki, chairman of the KC Department of Culture; Czeslaw Piotrowski, minister of mining and power; Mieczyslaw Wojciechowski, chairman of the Radio and Television Affairs Committee. Zbigniew Messner, BP member and prime minister, delivered an address at the conference. The conference which was opened by Bogumil Ferensztajn, KW first secretary, elected 123 delegates to the 10th Congress.

--The following BP members participated in the conference in Krakow: Marian Wozniak, KC secretary; Hieronim Kubiak; Kazimierz Morawski, CKR chairman; Wladyslaw Loranc, chairman, KC department of ideology; Tadeusz Hupalowski, NIK president. The conference, chaired by Jozef Gajewicz, elected 42 delegates to the 10th Congress.

--Participants in the conference in Gdansk were: Tadeusz Porebski, BP member, KC secretary; Boguslaw Kedzia, chairman of KC department of science, education and technology; Joanna Michalowska-Gumowska, minister of science and education; minister Adam Nowotnik, chairman of Office of Maritime Economy; Jozef Zyta, PRL general prosecutor. The conference, which was chaired by Stanislaw Bejger, BP deputy member, KW first secretary, elected 44 delegates to the 10th Congress.

--Participants in the conference in Nowy Sacz were: Wlodzimierz Mokrzyszczak, BP deputy member, KC secretary, and Jozef Olesky, manager of the CKP office. The conference which was chaired by Jozef Brozek, KW first secretary, elected 16 delegates to the 10th Congress.

--Participants in the conference in Legnica were: Marian Orzechowski, BP deputy member, minister of foreign affairs, and Zbigniew Szalajda, deputy premier. The conference, chaired by Jerzy Wilk, KW first secretary, elected 18 delegates to the 10th Congress.

--31 May--The Warsaw pre-congress conference was attended by Wojciech Jaruzelski, KC first secretary. Members of the highest party rank participated in the conference as delegates: Albin Siwak, Marian Wozniak, Jerzy Urbanski, and also Wlodzimierz Mokrzyszczak, as well as KC department chairmen--Kazimierz Cypryniak, Wladyslaw Honkisz, Boguslaw Kapitan, and Andrzej Wojcik. Janusz Kubasiewicz, KW first secretary, opened the meeting and delivered a report of the Executive. Following the discussions Wojciech Jaruzelski, the KC first secretary, delivered an address. The conference elected 84 delegates to the 10th Congress.

12470/6662
CSO: 2600/530

INTERDISCIPLINARY SEMINAR ON 'SOCIAL PATHOLOGY'

Warsaw RZECZPOSPOLITA in Polish 31 May-1 Jun 86 p 4

[Article by M. Miencznikowska: "Interdisciplinary Study of Social Pathology: A New Branch of Science? The Weakness of the Moral Element. The Place of Society"]

[Text] For a long time the life of society has been accompanied by such things as delinquency, alcoholism, parasitism. However, the history of scientific study of the problem of pathology goes back to the last decades of the previous century. In Poland it has only been for the past 15 years or so that there has been a systematic and gradually more multi-aspect analysis of the causes, manifestations, and means to control behaviors considered pathological.

A central research program, called "Pathological Social Occurrences--Characterization, Conditions, Prevention", has been recently approved. Sociologists, gerontologists, doctors, lawyers, psychologists, historians, and politicians are taking part in this program coordinated by the University of Warsaw's Institute of Social Preventative Treatment and Resocialization. This brings the question to mind--is it not time to speak of the birth of a new academic discipline? There are differing opinions about this question. However, it seems that knowledge of social pathology is still a part of various academic disciplines, as it does not possess its own specific methodological principles.

The concept itself of social pathology is already susceptible to various interpretations. In everyday understanding, it is associated with such occurrences as alcoholism, drug abuse, prostitution, and delinquency. But when speaking of pathological occurences, meaning those at variance to generally accepted norms, one can speak not only in the context of behavior of individuals, but also whole social groups and institutions.

In reference to social pathology, Maria Ossowka's comment about the weakness of the inner moral element is particularly apt. This weakness is characteristic not only of Poles. Research has shown that in our orientation the dominating individual is the one who in his actions reckons above all with the opinion of others. This makes society's relation to pathological occurrences so important.

Professor Adam Krukowski of the Institute of Social Preventative Treatment and Resocialization says that research carried out showed that Polish society is strict. This observation is repeated in much analysis. In using this term I have applied here the qualification passive strictness. Polish society does not like many occurrences of social pathology but society expects someone else to deal with these occurrences, be it government institutions, the militia, or the courts. But without the help of society, the pressure of the environment, and without the attitude of what I call active strictness, it will be difficult or even impossible to eliminate or even to reduce the occurrences of behavior at variance to accepted norms.

The occurrence of alcoholism is a classic example. The very same women who suffer the most due to the drunkenness of the men who are at the same time husbands and fathers, accept alcoholic beverages in their own houses. The presence of alcohol is excused by various holiday "occasions."

The goal of the scholars is not only to describe and to diagnose the current state of things but also to define practical directions for changes or preventative actions. But, Professor Krukowski says, "What can we really do?" Especially in the social sciences it is very difficult to transfer theoretical achievements into practice. We can inform the public about what we are doing, especially those individuals who direct the various areas of social life. It sometimes happens that our knowledge is exploited very widely. An example would be when research on juvenile delinquency found its way into appropriate normative acts.

12073/12851
CSO: 2600/536

PARTY ACTIVITIES CALENDAR 26 MAY-8 JUNE 1986

Warsaw ZYCIE PARTII in Polish No 13, 18 Jun 86 p 20

Meetings of the KC Politburo

[Text] 28 May--The Politburo examined the report prepared by the Cogress Committee on the implementation of the resolutions of the extraordinary Ninth Congress, on the activities of the Central Committee, Politburo, and the KC Secretariat during their term of office, which is coming to a close.

-- It was recognized and took a stand on the updated version of the "PZPR Report."

-- A decision was made to call the 26th Plenary Session for 7 June 1986 for the purpose of reviewing the modified draft of the PZPR Program and the report materials, and then to turn them over to the delegates to the 10th Congress.

-- The Politburo was informed of the friendly working visit to Poland of the KC KPCz secretary general, president of the Czechoslovak Socialist Republic, Gustav Husak, and the Politburo approved of its results.

Conferences and Meetings

27 May -- On the invitation of Wojciech Jaruzelski, the first secretary of PPR and state council chairman, the general secretary of KC KPCz, CSRS President Gustav Husak paid a friendly working visit to the Polish People's Republic.

2 June -- the KC PZPR Cultural Commission reviewed a draft of principles for a program for the development of Polish culture. The conference was chaired by Hieronim Kubiak, member of BP, and the participants were KC Secretary Waldemar Swirgon and Chairman of the KC Department for Cultural Affairs Witold Nawrocki.

-- The KC Maritime Commission evaluated the ongoing realization of the decisions of the Ninth Congress in the area of maritime affairs and realization of the state's maritime policy as well as the cadres' policy in this field. The chairman of the meeting was the alternate member of the Politburo

Stanislaw Bejger; the participants: Stanislaw Kalkus, BP member; Wladyslaw Gwiazda, deputy prime minister, and Adam Nowotnik, minister, director of the office of maritime economy.

-- KC Secretary Henryk Bednarski met with socialist countries' correspondents accredited to Poland and with the press attaches of those countries' embassies in Warsaw. The subject of the meeting was a report on the discussions on the draft of the PZPR Program.

3 June -- Marian Wozniak, BP member, KC secretary, met with Ognian Dojnow, BP KC BPK member, chairman of the Economic Council of the Council of Ministers, deputy premier who is the leader of the LRB economic delegation visiting Poland, Georgi Georgijew, LRB ambassador, and Marek Holdakowski, chairman of the KC PZPR economic department.

4-5 June -- At the meeting in Turaw near Opole the KC Committee for Science and Education, chaired by KC Secretary Henryk Bednarski, debated on the current problems of schools of all levels and also on the education of teachers' cadres.

5 June -- The CKKP Presidium evaluated the contribution made by the WKKP in the realization of tasks undertaken by the PZPR provincial committees. They also examined the up-to-date participation by the control commission, on all levels, in the campaign prior to the PZPR 10th Congress. The debates were led by CKKP chairman Jerzy Urbanski.

-- The KC Agricultural Committee discussed the party's activity on state farms and production cooperatives. The discussion was led by KC Secretary Zbigniew Michalek.

-- BP member, KC Secretary Jozef Czyrek met with Surowic, chairman of the International Commission of the Socialist Republic of Yugoslavia, Mlivoje Maksie. The SFRJ ambassador took part in the meeting.

Functions and Organizations

27 May -- The KW in Szczecin held talks on the subject: "Quality of work and production as an essential factor in the improvement of the standard of living."

28 June -- The KW in Tarnobrzeg evaluated the fulfillment of the socio-economic plan for the provinces in the last 3 years and discussed the realization of tasks at hand.

Intraparty Collaboration

26 May -- Jan Glowczyk, alternate BP member, KC secretary, met with the delegation of the BAAS theoretical-political hournal AL-MUNADIL of Syria. The delegation, under the leadership of the chief editor, secretary of the KN BAAS, information office Yassin Salman is visiting in Poland on the invitation of the journal NOWE DROGI.

-- Henryk Bednarski, KC secretary, met with the delegation of the KPZR District Committee from Smolensk, together with KC KPZR member and KO KPZR Secretary Iwan Klimienko, visiting now in Poland on the invitation of KW PZPR in Czestochowa.

-- Ernest Kucza, head of the KC PZPR Foreign Affairs Department, visiting in Moscow on the invitation of KC KPZR was received by Wadim Miedwiediew, secretary of KC KPZR.

29 May -- Wlodzimierz Mokrzyszczak, alternate BP member, KC secretary, received the KC NSPJ delegation which together with Karl Lebig, director of the Department of Party Agencies of KC NSPJ, is in Poland now on a working visit.

28-31 May -- The 19th MPLR Congress took place in Ulan-Bator. A PZPR delegation under the leadership of Kazimierz Barcikowski, member of BP, deputy chairman of State Council, took part in the congress.

2 June -- K. Barcikowski was received by Dzambyn Batmucha, KC MPLR general secretary, chairman of the Presidium of the Great Folk Chunal MRL.

12470/12948
CSO: 2600/530

PZPR LODZ COMMITTEE DISCUSSES IMPLEMENTING RESOLUTIONS

Warsaw TRYBUNA LUDU in Polish 10 Jun 86 p 2

[Article: "Plenum of the PZPR Lodz Committee--Proposals from the Pre-Congress Campaign"]

[Text] There was a plenum of the PZPR Lodz Committee on 9 June under the leadership of Tadeusz Czechowicz, member of the Political Bureau of the Central Committee and first secretary of the Lodz Committee. The plenum took up the discussion of the implementation of the proposals and resolutions expressed at the Lodz pre-congress conference. Mieczyslaw F. Rakowski, member of the Central Committee and vice president of the Sejm, and Jozef Niewiadomski, minister of construction, municipal public services, and land use management, were two of the many invited guests present.

Miroslaw Czesny, secretary of the Lodz Committee, at the beginning of the discussion discussed the most important of the 100 resolutions voiced by the delegates, emphasizing that verification of them was not carried out, none were thrown out, they were only grouped according to merits. They will be discussed later by the presiding officer of issue groups of the Lodz Committee and after detailed reworking they will give it to the Lodz voivodship delegates to the 10th Party Congress.

The discussion reflected over how the party, its members, and organizations should act in order to bring about their efficient implementation.

Tomasz Szewc, first secretary of the Polesie City District Committee, reminded that one of the most important questions is the assurance of a just division of the national income, which should be carried out according to the work contributed and its effects.

On the other hand, Jaroslaw Pietrzyk, Lodz city president, proposed that in implementing these resolutions and proposals to take into consideration those resolutions voiced during the election campaign to People's Councils and the Sejm because some of the resolutions are repeated. This also means, he said, that resolutions which are unreal or impossible to fulfill in the near future be publicized with the reasons for the decision also given.

Krystyna Kartczewska, first secretary in the Stomil Rubber Plant, accented the inspirational-supervisory role of party members. Continuing that thought, Bogdan Plusa, first secretary of Strykow Gmina Committee, said that we must urgently look that these proposals do not float around various offices only to show up again in the next term.

Tadeusz Czechowicz summed up the discussion, pointing out the main tasks before the Lodz organization before the 10th Party Congress.

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CATHOLIC WEEKLY VIEWS POZNAN '56 ANNIVERSARY, MEANING

Krakow TYGODNIK POWSZECHNY in Polish No 25, 22 Jun 86, pp 1, 2

[Article by Janusz Ziolkowski: "Poznan June"]

[Text] The 30 years that have passed since the "Poznan June" of 1956 have not been much in the life of the national community. Nor is 30 years much in the life of a city which turns up in public records as long ago as the beginnings of the Polish state. But at the same time, 30 years can mean a great deal. There are two kinds of time: sun time and social time. It is the latter sort of time that we associate with the awareness that something important is going on in the life of the community, something lasting that is carried beyond the flow of time and should be not be lost to memory.

Historical memory is a good of the highest order. The national community is oblivious to the past, either joyful or painful. It is in danger of losing its identity. In his address in Stockholm upon receiving the Nobel Prize, Czeslaw Milosz uttered these monumental words: "On a planet which is shrinking each year, with the fantastic development of the mass media, a process is going on that evaded definitions in the past, a process which we can call the refusal to remember."

(----) (Law of 31 July 1981, On the control of publications and public events, Article 2, Point 6, DZIENNIK USTAW (Gazette of Laws), No 44, Item 204).

The commemoration of the 25th anniversary of the Poznan June held in 1981 effectively combatted "the refusal to remember." They somehow made a revaluation of the Poznan worker break. They got the 1956 Poznan incidents out of the realm, to use Stanislaw Ossowski's terms, of the "private fatherland," identified with one's town or part of the country, and somehow put them into the realm of the "ideological fatherland," identified with the entire country and the nation as a whole.

What was June 1956? It was the first massive worker protest in Poland's postwar history. The Poznan June provided a start for the deep process of democratization of social and political life, in which the working class

democratization of social and political life, in which the working class spoke up as the main pillar of the nation and as the most worthy representative of its patriotic aspirations. The process fell within two major delimiters, the years 1956 and 1980. This process occurred on several planes. First, the economic one. This was a protest against injustice in the realm of human labor, against the exploitation of the workers, severe work discipline, price hikes, wage reductions, and accelerated production norms.

The second plane was sociopolitical in nature. The protest of the Poznan workers concerned the way authority was exercised, the style of government, and relations between those governing and the governed. There was the growing conviction that on the other side there not only heartlessness, indifference, stupidity, and ill will, but also arrogant disregard for the working class, which was exploited as an unwilling, unthinking mass, which need not be paid attention to or cared about but was necessary only to carry out production plans. And these were plans from a period when bureaucratic centralism had a particular habit of lording it over everyone and plans were being set arbitrarily without any element of social supervision and control, plans which did not have much to do with the working people's good.

But the protest reached deeper. It played mainly on the moral plane. There is a tendency -- this applies not only to the 1956 incidents -- to reduce worker demands to material issues. Nothing could be more false. At the foundation of the strike in the Cegielski Plants was the conviction that supreme moral principles had been violated.

To use the formulation of Stefan Czarnowski, the great sociologist from the period between the wars (in his 1933 study on the creation of worker culture), the workers movement is governed by three principles: justice, human dignity, and brotherhood. These three issues were expressed in the protest, attitudes, and actions of the Poznan workers.

The strike began in the Cegielski Plants. This was no coincidence. This was the largest factory in Poland at the time, and it was a plant with a long, proud tradition. The disregard for legal regulations, nonsense, arbitrary decisions, and organizational disorder were an outrage to it. Respect for good work, and a sense of justice and social order were, for the Poznan workers perhaps more than anywhere else in Poland, a moral principle the violation of which evoked a particularly strong reaction. Any attempts to alter decisions that cheated the workers were met with a negative response from authorities and officials. The result was bitterness and a sense of profound injustice. These attitudes were reinforced by the fact that the workers went to great effort to meet the demands of the new production plan. In the discussion at the end of 1955 on the five-year plan that was to get under way in 1956, more than 4,700 suggestions were made in connection with the possibility of carrying out the plan and improving plant operation. None of them, even those related to occupational health and safety, were taken up by the central authorities.

The sense of injustice, moral outrage, and awareness that the principle of fairness had been violated were also accompanied by something else, the fact that in the view of the workers, the dignity of workers had been disregarded. The Poznan worker felt that his dignity had been violated, both as a steward of the workplace and as a member of the social class on whose behalf authority was exercised.

The issues of justice and dignity were quickly joined by the third principle mentioned by Czarnowski, brotherhood. The position taken by the central authorities cemented the unity of the workforce. All categories, white- and blue-collar workers, party members and non-members, supervisor and rank and file rallied around the demands and actions which initially came out of a single group, the employees of the boxcar factory (the famous W-3). The strike action at Cegielski also evoked solidarity in other Poznan factories.

The significance of the Poznan June was related to the liberalization process whose peak was Polish October. The changes which we call liberalization happened prior to June 1956. The Poznan incidents did not appear deus ex machina. They were first of all the reflection of a broader context than that drawn by the borders of the country. This was a period of, to use the terminology of the time, the "drying out" begun in 1953, the condemnation of the cult of the individual, the elimination of "errors and distortions." In Poland this was the period of "The Poem for Adults"[1], "Po Prostu"[2], and the Crooked Circle Club (Klub Krzywego Kola)[3], of the restoration of law and order where it had been most flagrantly violated, political amnesty, and the rehabilitation of AK. Poznan June has to be seen in this context and in this general atmosphere. But what a qualitative jump along with it! What up until then had gone along rather slowly, below the surface, all of a sudden accelerated. What up until then had been the work of a rather narrow circle of intellectuals and activists came to encompass the broadest masses.

We might dare to say that without June there could not have been a Polish October. Under its powerful influence, exceptional, rapid political changes were made that led to a basic reversal [illegible] political orientation and changes in the team in power.

TYGODNIK POWSZECHNY wrote about the role that June played in this realm as follows (Vol 11, No 5/240, 3 Feb 1957): "The Poznan incidents fully revealed how enormous the internal situation was, showing that it is necessary to come to an agreement with the society and gain its support, or else choose the road of stifling all free action. This road led to unavoidable conflict between the political leadership and the will of the nation. Nonetheless, the Poznan incidents explained to this extent the situation in which the party had come to the conclusion that it was necessary to adopt one decision or another. This was the alternative: either with the nation or against it. The growing struggle between the two concepts were resolved at the Eighth Party Plenum."

Perhaps the Poznan incidents were to perform one other general national service. The sacrifice of blood should not be treated as the subject of intellectual speculation, but there is no way to get around the impression that the blood poured out in Poznan protected the nation from a far greater tragedy that could have occurred several months later, because in the mind of the nation June acted as a painful warning.

When we note that the incidents in June contained an element leading up to the Polish October, it is worth recalling, even briefly, the accomplishments associated with October. A large proportion of them, it is true, were very short-lived. The economic issues are an example. The influence of reforms like the new policy in the realm of consumption and wages, the expansion of the authority of the industrial firms, the creation of worker councils, and the formation of an Economic Council of the Council of Ministers did not extend beyond the end of 1958. There was one important exception, though. It was agriculture. Private agriculture, rehabilitated after 1956, although limited in operation and underinvested, lasted with all its beneficial effects for the whole life of the nation.

The area in which October left the most lasting traces was national culture (here we should include not only artistic creativity and art as a whole but also education and science). Creative people no longer had doctrinaire schemes and structures thrust on them. Freedom of pursuit, experiment, and innovation produced a tremendous revitalization and bolstered creativity in the realm of literature, theater, music, painting, visual arts, applied art, film, and architecture. Polish culture, in its artistic form, again became an integral part of the culture of the West, and this was not only in terms of reception, making up many years of isolation, but also in terms of distribution of its least expensive creations. Never before had Polish creativity (music, theater, posters, painting, sculpture, artistic weaving, film, literature, art conservation and architecture) enjoyed such acclaim abroad. In education October produced new Polish literature and history textbooks, in science: the independence of the educational institutions and broader contacts on pluralistic principles with world scientific creativity, the reconstitution of the rank of the researcher's creative autonomy and the restitution of eliminated disciplines (like sociology).

Insofar as religious matters went, so closely related to the nation's cultural identity, October brought the release of primate Stefan Wyszynski (----) (Law dated 31 July 1981, On the Control of Publications and Public Performances, Article 2, Point 4 (DZIENNIK USTAW, No 20, Item 99, amended in 1983, DZIENNIK USTAW No 44, Item 204)). The acceptance of the church's special position in the country's cultural life and, more broadly, in its social life, is also related to this.

When we think of "June," we immediately call to mind the June monument. What is the monument? As the late Aleksander Wallis put it, it is an institution of the social memory. Monuments spring from a deep conviction about the importance of history. Important incidents, eminent people who have left a forceful stamp on the life of their society, have been given a

permanent place in the form of monuments, and are the symbol of the lasting and continuous nature of national culture. From the viewpoint of lasting, the history of each monument is made up of two separate, incomparable periods. The first encompasses the time from the moment that the thought about the need for a monument appears to the moment it is erected and unveiled. The second begins the day after this formal act, when the monument begins to live its own life.

This is how it was too with the June monument which was erected to commemorate the 25th anniversary of the Polish June. An initiative appeared. A construction committee was created, with Roman Brandstaetter as chairman. A collection for provide funding began all over the country. There was a competition, designing began in many sculptors' studios, and a jury was selected. There was avid social discussion on the shape and location of the monument. A design was selected for execution, and the area where the monument was to be erected was walled. In all these actions there was a single imperative: the June monument must be ready on 28 June, on the 25th anniversary. A race against time began. Workers in the Poznan factories disinterestedly gave their work and time. The Silesian steelworks answered the call from Poznan. The shipping of the elements of the monument from the Cegielski Plants to Mickiewicz Square by the route taken by the workers' march 25 years ago became a great triumphal demonstration. Later, the erection of the monument in front of crowds that "came and went like a wave reaching the side of a ship with two gigantic masts" (from the report in TYGODNIK POWSZECHNY, vol 35, no 27/1963, 5 July 1981).

Finally came the formal unveiling of the monument on 28 June 1981. Well we remember the day: hundreds of thousands of people there, a serious atmosphere of concentration, the shriek of sirens and all the bells in Poznan ringing, a wave of emotion which swept over the vast crowds at the raising of the great sail, which was in the form of a red and white flag. Then the monument, full of power and dignity, appeared before everyone's eyes. Two crosses joined together. They give the impression of being in a parade. Walking crosses. Father Stanislaw Musial wrote in the TYGODNIK POWSZECHNY issue above: "In the first cross you could see Christ carrying the second smaller one, the symbol of Poland...Therefore it is a monument of Christ the Samaritan, carrying weary Poland." And at the foot, an eagle. On the crosses of the monument the dates: 1956, 1968, 1970, 1976, 1980. And the words: "For freedom, law, and bread." TYGODNIK POWSZECHNY wrote: "Today there is no more bread in our country than in the tragic days of June 1956. If there is no one in the streets protesting this, it is because it is expected that freedom and law will increase."

The second period of the June monument's biography began with the unveiling. The period of the search for an idea, program, material shape, and artistic expression had come to an end. The monument had become a social fact. Coming out of the society's aspirations and being a product of its strivings, during the second period the monument became ideological and moral property, not only of the society of Poznan and Greater Poland,

but also of the whole nation. There was also general social acceptance. The symbolism was moving, simple, clear, understandable to everyone. Its monumental nature was impressive. The artistic media proved bearable.

There are many monuments in Poznan, but the June monument stands above them all, as a material object, a work of art, and a symbol. It has been barely 5 years since it was erected, unveiled, and dedicated, but it has already become a part of the outline of the city and has become an inseparable part of its landscape. It stands there, powerful, evocative, full of meaning, eye-catching, evoking emotion and provoking reverie.

The Poznan June incidents symbolized by the two "walking crosses" irresistibly present the notion of the inseparable bond between Christianity and the fate of the nation. In Poland Christianity has become the content of the nation's self-knowledge and the determinant of its ethical awareness. It endows our culture with a certain specific tone peculiar to Poland. The church has turned out to be the heir and trustee of the 1000 years of national tradition. In dividing up the goods, Christianity has become the spokesman for the working man on both the personal plane and on the social plane. Defending human rights it gives human work the highest value, not only economic and social value but also ethical and superinstrumental value. In Poland there has been an integration of the world of work with the world of religion, an astounding achievement against the backdrop of the severe division that has existed since the 19th Century between human labor, especially physical work, and religion. Unlike the countries of the West, where the sacred sphere is becoming increasingly distinct and separate in time and space from the sphere of the profane, in Poland the sacred has entered our daily reality, especially the reality of human labor. It has turned up in "secular " places, like the streets and squares.

An expression of this is the Poznan June, actions related to commemorating its anniversary and the social role of the monument. During the strike in the Cegielski Plants people cried out: "...we are demanding that Primate Wyszynski be let out of prison." During the demonstration in the square in front of the university, people sang religious songs as well as patriotic ones. When it came time to build the monument, it was the workers themselves above all who came out in favor of its being in the form of crosses. What sort of categories could be used to express the fact that in 1981 Christ returned to his former spot, the place of the monument of the gratitude to the Sacred Heart of Jesus, which was destroyed during the occupation? He returned in the form of a cross. Not alone. With another cross.

The June monument became the spatial and spiritual center to focus the city's society, the place of private pilgrimage and group tribute. It was elevated to the rank of the sacred. The area in which it is located also became sacred. For a human being, space is neither just a physical object nor geometric arrangement. Space is a component of the system of values, in relation to which it has content and meaning. It is a value in itself. In essence, the area of the present Mickiewicz Square has had special

significance for the city's residents ever since 1956. The instinct of the Poznan workers was correct when they asked for just such a location during the discussion on plans for the monument.

Pope John Paul II gave it the final consecration (----) (Law dated 31 July 1981, On the control of publications and public performances, Article 2, Point 6 (DZIENNIK USTAW, No 20, Item 99, amended: 1983 DZIENNIK USTAW, No 44, Item 204)) was there where, as he said, "two crosses stood to commemorate the victims of 1956. For various reasons, owing to the more distant and more recent future, this place has been baptized by the people of Poznan and Greater Poland. Therefore I too want to kneel in spirit in this spot and pay my respects..."

You can look at the June monument through the metaphor of a boat, cross, and gate. The Poznan crosses are often compared to the two masts put up on a powerful boat. The sail went up over them on the date of the dedication. But what the gate? This is made clear by Norwid's poem "The Cross and the Child," where the cross "became...a gate." The June monument is a gate, through which the sacrifice of blood of the people of Poznan entered history and became history, through which we cross over the threshold of hope, through which we enter into community.

[Footnotes

1. PO PROSTU -- "Straight Talk," according to Czeslaw Milosz in "History of Polish Literature," a "rebellious weekly of young Communist intellectuals. The paper was to become a major force in preparing for the "Polish October" of 1956 and was closed down by the authorities in 1957 (or October 1958 according to another source) as too radical in its demands for democratic changes within the socialist system of economy." The Marxist philosopher Leszek Kolakowski was active in PO PROSTU as a founding member.

2. Klub Krzywego Kola, a discussion club located in Warsaw's Old Town near Krzywe Kolo Street. It operated longer than PO PROSTU was allowed to function and had some similar associations but was not directly related to the PO PROSTU editorial staff. It met weekly and consisted primarily of young people and students, but the weekly speakers were often prominent persons from the party, government, and cultural arena.

3. "Poemat dla Doroslych" -- "A Poem for Adults" was written by Adam Wazyk (exact date uncertain) and published in a small book of poetry, about 30 pages. The poem itself was only about one to two pages long, but it was a bitter and sarcastic tirade against the authorities' control of cultural issues, and for many marked the break from a socialist-realist style of writing.]

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UNION OF SOCIALIST POLISH YOUTH 'SELF-EXAMINATION' NOTED

'Self-Criticism' Dominates at Katowice Meeting

Warsaw TRYBUNA LUDU in Polish 10 Jul 86 p 2

[Article by [PL]: "What Sort of Union Do Youth Want?"]

> [Text] (Own information) In the Union of Polish Socialist Youth, the organizational structures are not pervious. There are many random factors in the formulation of tasks. A lack of competence has been noticed. Unfortunately, we are also not bringing up successors to our organizational functions. We must remember this when we look at various aspects of a general review of the structures and positions of work throughout our country.

These words uttered by Jan Wojtowicz, a delegate to the 10th PZPR Congress and chairman of the Katowice Provincial ZSMP [Union of Socialist Polish Youth], gave the 6th plenary meeting of the union's central directorate (9 July) a more earnest working nature than the preliminary report.

"Scientific and technical progress," he added, "are our passport into the 21st century. However, let us consider what this really means within our own organization. After all, the TMMT has still failed to function as a promoter for inventors. We know of no one in our organization that is in any way similar to the engineer Kowalski. Are we ready to take economic reform into our own hands when we still have the same archaic system of political education that is so painfully obvious in the activities of the University of Economic Reform?"

Captain Zbigniew Ciereszko said: "Let us no longer tolerate losers in our ranks. We cannot allow activities in the ZSMP to be used as a stepping-stone to a political career. We must also admit that our ZSMP colleagues are afflicted by all kinds of pomp, internal fighting and submissiveness to the administration".

Pawel Kluta of the Paris Commune Shipyards in Gdynia spoke about the need to revise the working style of the ZSMP. He said that: "Young workers are capable of appraising both activists and programs. This is not self-catsigation. We must be able to honestly be able to say what workers can gain from all of the

superficial political campaigns conducted within our union. After all, shouldn't today's meeting dedicated to the tasks that the party congress has placed upon the ZSMP be preceded by individual talks with organization members?".

During the plenary discussions, 16 members of the central directorate and delegates to the 10th Congress spoke out on various subjects.

In a new resolution, the central directorate outlined the newest tasks that the union should try to implement along with the rest of society and also formulated tasks for its own organization. It also approved new principles for creating and spending the Youth Social Action Fund. The meeting was chaired by Jerzy Szmajdzinski, chairman of the central directorate. Boguslaw Kedzia, director of the PZPR Central Committee Department of Science, Education and Technical Progress was also present.

Students View Membership, Activities

Warsaw TRYBUNA LUDU in Polish 10 Jul 86 p 4

[Article by Ewa Klosiewicz and Renata Maszkowska: "Subject For Discussion"]

[Text] What are we really like? Do we want to be different? What is important to us? What does it mean to be an "active person"? The participants of a ZSMP camp at Mierki near Olsztyn this year tried to answer those questions.

Pupils of some Warsaw middle schools gave us some of the answers quoted below. They were: Monika Niewiadomska from the Economics Schools Group, Renata Starobrat and Ewa Boczkowska from the Horticultural Technical School, Bartek Kotarski from the General Middle School Number 49, Anna Zorawska from Vocational School Number 17, Rafal Lukasik from the Opwer Engineering Schools Group and Ryszard Kowalski, a graduate of the Automotive Schools Group.

Bartek Kotarski: Many of the people in my age group are just out to take what they can get. It's quite natural for our parents who were raised in harder times to try to make everything easier for us. Many of us take advantage of that and try to get everything from our parents that we can without giving anything in return. We also try to pretend we are better than we are but in hiding our shortcomings, we forget that we will soon be out of school and will have to make decisions for ourselves and others. Sometimes I wonder what we will be like for our children. After all, they will want things too but we are not used to giving. If society is going to be the same way we are, I don't thing the future is too rosy. We have to start thinking more seriously about the present and prepare ourselves for adult life. That is why I joined ZSMP.

Anna Zorawska: Not everyone has it so fabulously at home as you say. Some parents are not so easy because they make you earn what you get. It is, however, true that people speak too highly of youth. We know ourselves all too well and are doing nothing to change.

Monika Niewiadomska: Before I joined ZSMP, I didn't really want to do anything either. Now I have the satisfaction of knowing that I do can something to

improve things. For example, we recently got toys for a children's home and cleaned up a park. I learned that it is a great joy to give someone else some pleasure even in such simple ways.

Renata Starobrat: On his own, a person cannot do much. It is true that you can act outside of an organization but membership in a group sort of forces you to do something, not only for yourself but for others and you do it not because you have to but because you want to.

Bartek Kotarski: Out of the 500 pupils in our school, there are only 11 ZSMP members. It is not at all easy for us to gain acceptance. We are still trying to attract our friends though...

Anna Zorawska: But what are you doing to get other people to join?

Ryszard Kowalski: That's right! To get other people involved, you have to do something more than just talk. For me what counts is real work, regardless of how many members you have.

Anna Zorawska: We don't urge people to join but just spend time with our friends. We tell them to come and see for themselves. And some of them do and then stay with us. We don't need to have as many members as we can get. Recently, everyone in our class signed up with ZSMP because the sponsor was our teacher. There are only 17 members left but that doesn't bother us at all.

Rafal Lukasik: I am not a member of ZSMP. I came to the camp to see for myself what things are really like. Some people have urged me to join while others say bad things about it. To be frank, all of these more serious issues are not important to me. While I am young, I want to have a good time because I will have time enough for problems later on.

Anna Zorawska: Some people take on great responsibilities and are not afraid of doing so. I don't think I can do that. I don't think I can change anything. I think that adults do everything better and have more experience because they are older. I am too young to do important things very well.

Rafal Lukasik: That's right. We are not used to responsibility. From what my mother has told me, young people were different and better at one time...

Bartek Kotarski: I know that many young people were at the 10th Congress and that they tried to help solve our present and past problems.

Ewa Boczkowska: I think that events like the 10th Congress should interest us more. I myslef do not really want to think about things like that. There are so many things in life that are more interesting than having to worry about some important problem.

Bartek Kotarski: Do you think that you are suddenly going to understand everything when you turn 25?

Anna Zorawska: That is why it is not the organization itself that is so important but the people that join it. I feel more secure because I know that as

soon as I have a problem, there will be someone to talk to and explain the things that I myself don't understand.

Ryszard Kowalski: Yes, but there are few people that really want to do something and understand things. As soon as vacation time comes around, the number of ZSMP members jumps sharply. What does this mean? It is true that for some, the little red book with the ZSMP symbol means nothing more than a chance to take a nice trip.

Bartek Kotarski: Maturity and commitment are not things that just appear on their own. Many people have to be convinced and influenced. In general, it is necessary to talk a lot with people who know more.

Anna Zorawska: But older people do not have much time to talk. A desire to know and understand is not enough if no one is there to help you. I am afraid that I will not do very well in adult life. A person conforms whether he wants to or not and there are so many things that I don't like.

Rafal Lukasik: That's right. I will go to work in September. What I most fear is that I will end up with people for whom lunch break is the most important thing and that if I don't become the same sort of person, I will be rejected.

Ryszard Kowalski: But you have to try to change something because if you are afraid to try, no one will help you.

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BRIEFS

SOCIAL SECURITY PACT WITH GREEKS--(PAP Report)--On 3 July 1986 the Ministry of Foreign Affairs building was the site of a formal exchange of documents ratifying an agreement between the governments of the Polish Peoples Republic and the Republic of Greece on social security insurance for persons employed on the territories of either country, as signed in Athens on 3 May 1985, followed by an exchange of demarches pertaining to the ratification of an agreement between the Polish Peoples Republic and the Republic of Greece on the settlement of certain social security issues, as signed in Athens on 3 May 1985. The process of exchanging documents was performed by Tadeusz Olechowski, vice minister of foreign affairs, and Leonidas A. Evangelidis, ambassador of the Republic of Greece. The aforementioned agreements are effective as of 1 September 1986. [Text] [Warsaw RZECZPOSPOLITA in Polish 4 Jul 86 p 7] /9738

CSO: 2600/594

CRITICS GUILTY OF 'RETROGRADE' TENDENCIES, SAYS WRITER

[Editorial Report] Bucharest SAPTAMINA in Romanian 11 Jul 86, No 28 prints on pages 3 and 7 a 6,000-word critique by Corneliu Vadim Tudor entitled "The Duty of Criticism." The critique is aimed at the contents of Issue No 3-4, 1984 of CAIETE CRITICE ["Critical Notebooks"], a publication that appears under the aegis of the Writers Union review VIATA ROMANEASCA. Tudor states that the articles in this publication are at variance with remarks by Nicolae Ceausescu on the function of literary criticism.

Tudor quotes Ceausescu's remarks first: "I wish to emphasize on this occasion the great responsibility which criticism and aesthetic theory, based on the philosophical conception of historical and dialectical materialism, bear in orienting our literary creativity." And also: "Literary as well as art criticism must be communist criticism, our literary reviews and magazines must be wholly communist. We must not allow any type of criticism which attempts to promote retrograde aesthetic conceptions."

Two dozen or so critics are then taken to task for operating under "retrograde aesthetic conceptions"--as this label is understood by Tudor. One such conception, which Tudor states is exemplified in a majority of their works, takes the form of a "distressing servility to fashion" especially to "emanations of certain snobs from Paris, London, Freiburg, Lausanne and other European cities." Romanian critics (e.g., Eugen Simion, Cornel Moraru, Monica Spiridon, Mircea Cartarescu) says Tudor, have gotten into the habit of appealing to the authority of "foreign specialists" (Barthes, Ricoeur, Wellek, Genette [sic], Jauss, etc.), which practice "smells of semicolonialism." Romanian writers, on the other hand, are downgraded, says Tudor. Some critics (e.g., Alexandru Piru), Tudor continues, even encourage vulgarity and bad taste in poetry.

Using quotations, Tudor then illustrates his next point that some critics (e.g., Mircea Iorgulescu, Alexandru Musina, Solomon Marcus) abuse and otherwise mistreat the Romanian language, showing ignorance of grammar and of the meaning of words. He goes on to what he considers another "retrograde" tendency, "arrogance": "Many of the contributors to the 'Critical Notebooks' are under the impression that they are God's gift to man, and that our literature and Romanian intellectual life in general would collapse without literary critism and, implicitly, without these critics." Such statements as "For over 2 decades, criticism has been in the avant-garde of Romanian literature"

and "The duty of criticism to literature: to stand guard" as well as others along similar lines made by critics accused of "arrogance" (e.g., Ioanichie Olteanu, Eugen Simion, I.B. Lefter, Octavian Paler) are quoted by Tudor as proof.

Finally, another "retrograde" tendency according to Tudor is the "intolerance and lack of culture" shown by these critics. "This is just what one would expect," Tudor states, from critics "who consider gregariousness more important than elementary culture."

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GOALS OF LITERATURE OUTLINED AT PARTY CONGRESS

[Editorial Report] Bucharest SAPTAMINA in Romanian No 29 of 18 July 1986, page 3, publishes an article 1,400 words long by Geo Ciolcan entitled "The IXth Congress and Literature." According to the writer, "there was a time when the wing of dogmatism spread its shadow over" Romanian literature "undermining the expression of genuine revolutionary spirit in thought and culture." As a result of this, he continues, "only those works which followed certain ideological preconceptions certified as immutable and infallible, were given artistic value." But all that has been changed, Ciolcan adds, thanks to "the vision of inestimable aesthetic value" of Comrade Nicolae Ceausescu who has urged contemporary Romanian writers to "take into account artistically and realistically the great changes which have taken place in the midst of Romanian socialist society." As Ceausescu himself put it in his remarks delivered before the IXth Congress, "art and literature's unique concerns are with constantly perfecting and renewing creative means of artistic expression; every tendency towards exclusivity or rigidity in this field must be removed. What is essential is that every artist, according to his own style and retaining his artistic individuality, demonstrate a high degree of responsibility towards the content of his work and see to it that his work reaches the heart and mind of the people." Romanian writers have heeded this call, says Ciolcan. He remarks a bit later that "We live in socialist times so we have a duty to create a literature of these socialist times."

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CONTEMPORARY SIGNIFICANCE OF RELIGION ASSESSED

Bucharest CONTEMPORANUL in Romanian 27 Jun 86 p 6

[Article by N. I. Maris: "Atheism and Objective Displacement of Religious Observance"]

[Text] Doubt no longer exists that religion and religious institutions are currently undergoing a pronounced crisis without precedent in their history. It was noted by a number of theologians even at the end of the last century. The crisis has been quantified by a number of highly discerning sociological studies and research in specialized arxist and non- arxist literature, just as the church and its officials have in turn deplored the proportions of the crisis in tones of alarm. This state of worry and anguish, also unique, is also reflected in the following statement by an ideologist of the Catholic Church, who recently wrote the following. "Millions of people in Europe are covertly and quietly abandoning Christianity and the church. They are changing their Christianity as they would change worn-out clothing. They are abandoning the church as they would abandon a ruin, a grave, or a catacomb, which, it is true, still frightens them from time to time. People no longer pay heed to the life hereafter, the existence of God, his love and forgiveness, or his intercession".

As a result of the processes of secularization now affecting all the religions of the world, the displacement of the religious in the light of today is proceeding at a dizzying pace. The sociocultural and political phenomena which speed up the disintegration of religious beliefs are many in number. These problems of such great complexity are approached with scientific honesty and multidimensional analysis in a recent collection of studies entitled "Indrumar pentru educatia materialist-stiintifica, umanist-revolutionara a tineretului" [A Guide to Scientific Materialist and Revolutionary Humanist Education of Youth] and published by the Editura Politica (Publishing Office for Political Literature) (coordinators: Gheorghe Crasnea, Ion Strugariu; authors: Ana Balasa, Dr Petre Bieltz, Dr Aculin Cazacu, Adina Chelcea, Dr Septimiu Chelcea, Serban Cionoff, Gheorghe Crasnea, Dr Petre Datculescu, Alexandru Dobre, Dr Georgeta Florea, Dr Florin Georgescu, Dr Dumitru Ghise, Dr Octavian Nistor, Dr Paul Popescu-Neveanu, Ion Strugariu, Dr Gheorghe Vladutescu.

The functions of such a guide are revealed both by the particularly diverse and extensive problem area covered by the studies, whose authors, are well-known university teachers, research workers, activitists in the sphere of

propaganda, and journalists. They are also reflected in the scientific documentation and information (the collection makes available to readers an extensive, useful, and effective bibliography for deepening the studies included in the Indrumar).

As a reflex of the crisis phenomenon, attempts to modernize religion, to "revitalize" traditional theological and religious concepts, are becoming increasingly frequent. As is demonstrated by a reading of the studies published, to retain its credibility contemporary theology often has not hesitated to put a new and more "agreeable" face on traditional dogmas. At the end of the last century such an attempt was termed "evolutionist theology," and more recently another theology has been launches, the "theology of the death of God," and even the designation "irreligious Christianity" or the more modern one "Christian atheism," the theology of "hope," are accepted. Certain widely accepted ideas of contemporary philosophy and culture have now been adopted so as to be even more in harmony with the "secular" culture and spirit. So it is that theological anthropologies of an existentialist nature have been formulated, and attempts have been made to redimension precepts by an appeal to pragmatism, freudianism, phenomenology, personalism, and even positivism, with its most recent variations. In this desperate effort to "adapt" to the mindset of the 20th-Century "believer," religion has often aped the reading and "assimilation" of ideas and phrases from marxist texts. A number of theologies have thus appeared, the so-called theologies of "revolution" and "liberation," evincing the effort to participate in the discussion of sociopolitical, demographic, and ecologic problems. This process has been accompanied by a number of the most modern means of revitalizing religious practices by use of the mass media and of other more attractive formulas for attracting the laity to the houses of the cults.

To a careful observer, the modernization, the religious modernism designed to "transfigure" the future of religious observance, has not been able to conceal the essentially obscurantist nature of religion. On the contrary, it has suddenly become even more striking along with the avatars of the new sectarian manifestations (which are to be observed now in all traditional religions): "people's temple," "the Lord's children," or "sons of the Lord," to give the most notorious and deplorable examples of these extremely harmful aspects of contemporary religious obscurantism. These cases are marked not just by preservation but by accentuation--often in forms more refined but not infrequently more brutal and thus more harmful--of the specific irrationality of religious beliefs. The essential incompatibility of authentically human norms of morality with the theses of religious morality, and in general the incompatibility of the scientific conception of the world and life with religious ideology, of revolutionary humanism with the distorted anachronistic view of contemporary man, are coming to the fore once again. The antihumanist nature of the religious theses regarding the evolution of contemporary society are revealed with increasing clarity.

The dialectical materialist philosophy, the world view, of the communist party, which is aware of the baneful effect of these formulas for "revitalization" of religion, gives unambiguous answers designed to reveal the true face of the new obscurantist counterfeits. The scientific materialist view of the world is obviously separated from the religious view by a sharply divisive, irreducible difference, in the form of postulation of the material nature of the world and of the possibility of transforming the world by

revolutionary means, through affirmation of man as the sole center of all material and spiritual activities of society, that is, by assertion of the socialist humanism and the militant atheism specific to the building of socialist society.

In this context, as follows from reading the studies contained in the Indrumar, it is proved once again that the efficiency of propaganda among young people must be based on the formation of solidly atheistic concepts having a substantial affective-volitional as well as cognitive motivation centering on the superior values of socialist culture and civilization. Just as necessary is the assimilation of technical and scientific knowledge in a wide variety of fields, with emphasis placed primarily on explanation of facts and phenomena which until yesterday represented the favorite grounds of religious discussions and "explanations" (speculations). There is need for increase in the educational efficiency of technical and scientific explanations through presentation in more varied and more stimulating forms, with a rich informational background capable of counteracting, and even outstripping, the religious "modernism" inventively cultivated by some of the church circles and some of the theologians to whom we have referred. The reason is--and this continues to be one of the fundamental theses of the primer of dialectical materialist propaganda--that many of the more "attractive" reformulations of contemporary religious modernism, far from being merely "pious" and innocent exercises and reflections, intrinsically more refined, of the world and life, are designed to be just as many practices with particularly harmful consequences.

Scientific materialist and atheistic education is a complex, lengthy process, and an integral part of the arsenal in the struggle against religious obscurantism and against survivals or upsurges of this obscurantism, is represented by the dialectical materialist concept of the world and life, improvement in vocational training and assimilation of the most advanced values which mankind has created, ethical civic and legal education of youth, knowledge and assimilation of the values and norms of socialist ethics and fairness, and their application in the daily activities of building socialist society in Romania. Also efficient are the various ways and means of involving the future builders of communism in cultural and artistic activities, imparting secular meanings to major events in their lives, permanent receptivity to the new, and especially consistent promotion of the idea and ideal of human perfectibility.

6115
CSO: 2700/207

BRIEFS

NEW DEPUTY MINISTERS--The President of the Socialist Republic of Romania decrees that Comrade Angela Voicila is appointed deputy minister of the electrical engineering industry and Comrade Eugen Radulescu is appointed deputy minister of the machinebuilding industry. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 47, 12 Jul 86 p 2] /9274

NEW ENVIRONMENTAL COUNCIL CHIEF--The president of the Socialist Republic of Romania decrees that Comrade Virgil Ianovici is relieved of his position as chairman of the National Council for the Protection of the Environment and Comrade Ioan Badea, chairman of the National Council for Water Management, is appointed chairman of the National Council for the Protection of the Environment. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 48, 18 Jul 86 p 2] /12232

CSO: 2700/265

CHANGES IN OPERATION OF POLITICAL SYSTEM DISCUSSED

Belgrade KOMUNIST in Serbo-Croatian 25 Jul 86 pp 13-14

[Article by Dragan Bartolovic: "Constitutional Amendments and Changes in Practice"]

[Text] The fact that the political system of socialist self-management needs to be constantly researched, its practice and theoretical postulates analyzed, and constant improvements, additions, and changes be made within it so that it develops constantly "as a living organism" and "as an instrument for revolutionizing society in the direction of its transformation into a free association of producers"--has been strongly affirmed at the 13th LCY Congress and emphasized in its resolution. Not without reason, since after the public debate of the Critical Analysis...and the analysis itself party members have committed themselves to the necessary changes both in the SFRY Constitution and also in the Law on Associated Labor (ZUR) and in a number of other key laws (that is, the laws embodying the system). A demand was in fact issued at the congress for urgent implementation of the conclusions of the public discussion and Critical Analysis....

Two presidencies--the SFRY State Presidency and the Presidency of the LCY Central Committee--have had something to say about this topic (separately) in the last 2 weeks. The first was on 10 June, when the SFRY State Presidency, as one of the proponents authorized by the SFRY Constitution for amendments in the constitution, said that "the organized effort should be stepped up to prepare proposals for amendment of certain provisions of the SFRY Constitution so that they can be submitted to the SFRY Assembly in the fall for regular proceedings," and then came the Presidency of the LCY Central Committee (15 July), which "took up questions related to organizing the work on preparations of proposals for amendments of certain provisions of the SFRY Constitution" and deemed it necessary to undertake without delay concrete activities concerning those changes on the basis of the proposals contained in the Critical Analysys...and those arising out of the public discussion. Also, the party presidency especially emphasized that the constitutional amendments should be aimed at consistent implementation and completed construction of the production relations of self-management and the country's federal system.

Nor is it out of the way to state immediately that these presidencies, in part responding to the demands of the congress, are also insisting on a clear and

resolute political-ideological action, which incidentally has already begun, to strengthen the constructive changes in the behavior of all entities in society in the direction of greater work and effort, performance of what has been agreed and enforcement of legality, and a strengthening of personal and collective responsibility.

Three Groups of Proposals

The Criticial Analysis...offered 29 precise proposals for amendments and for supplementation of certain constitutional provisions. The public debate has contested two proposals (they have to do with establishment of SIZ's), but it also recorded 79 of its own, and it stressed the need for reassessment of the phrasing of the first and second parts of the principles. As for the principles, we should say at once that the debate formulated an interesting proposal which clearly states that in addition to the republics and provinces, the working class and nationalities and ethnic minorities of Yugoslavia, headed by the LCY, are also responsible for development of the country as a whole.

The proposals that came out of the public debate might provisionally be classified in three groups: those which are in the spirit of the proposals and demands of the Critical Analysis...itself, and then those which are demanding further study and a thorough scientific debate, and finally, those which are unacceptable, contradictory, or on the other hand contrary to the basic fundamental values of our society--they come from some other story, capitalist or socialist, but not ours! Fortunately, such proposals were also convincingly the fewest in the public debate. In a way this also says something about its quality and competence.

It will be interesting to follow the discussion of those in the second group: those which purport to elucidate more precisely such groups of issues as achievement of social ownership, development of the constitutional conception of the commune system, achievement of the constitutional concept of the republic, guaranteeing the influence of associated labor, in the SFRY Assembly above all, and then the question of the justifiability of the further existence of the presidencies of the republics and provinces, or again the sociopolitical chambers in the assemblies of opstinas, republics, or provinces, the number of necessary SIZ's, the number of social councils, their mutual relations and areas of competence, achieving fuller independence of the courts, etc.

Something Is Already Being Implemented

Aside from the changes of the constitution, it should also be borne in mind that some of the initiatives and proposals arising out of the public debate will receive their full affirmation and realization in amendments of certain laws embodying the system, above all the Law on Associated Labor. Changes in the ZUR, as matters now stand, are supposed to relieve the pressure on the constitution. But to tell the truth not everything that was initiated in the public debate was also addressed to the right place. The initiatives were addressed to the constitution, but logic has it that the right address for those changes would be the laws embodying the system. Again, some of the proposals

have already been implemented in another way, by legislative regulation in the SFRY Assembly: that is the case, for instance, with the demand that the constitution include taxation of above-average income resulting from monopoly position, and this has just been done a few days ago with the new measures of SIV. Or again, prohibitions have been proposed to prevent excessive taxation of the economy, and this is already being done in another way.

It has been provided (still earlier in annual plans) that by the end of the year certain debatable issues will be debated within the federal social councils, above all the Federal Social Council for Problems of the Social System, for example: certain problems of the delegate system, above all the realization of the institution of the changeable delegate, and then the role, character, manner of election, and proceedings of the sociopolitical chambers, the place and role of the presidencies of the SR's and SAP's, achievement of the role and function of the social councils, conception of supplementation of the ZUR, the functioning of old-age and disability insurance, development of the commune system, etc.

Interesting Proposals

The public debate emphasized or supplemented proposals made in the Critical Analysis...with views from different angles or posed in an original way a sizable number of questions already being debated. It should also be pointed out that there were no questions rejected (except those few "from someone else's story"), all the proposals and initiatives will go into the debate with equal value. Without claiming to enter into the essence of these proposals for the subsequent debate, it seems opportune to us to point out some of those which are in our opinion the most interesting:

i. As for the republics and their constitutional status, the reference is above all to the constitutional status of SR Serbia and that part of it which is inappropriately referred to as "Serbia proper." However, there is a demand for an all-encompassing study of the constitutional status of the socialist republics, and here the initiatives go in the direction of reducing the statist tendencies and a strengthening of the socialized function of the republic as a sociopolitical community as well as of its economic functions.

ii. An essential factor in the functioning of the system is the improvement of social planning. Thus instead of the system of social planning merely having its present "uniform foundations," the Serbian Republic Conference of the SAWP, the Federal Social Council for Economic Development and Economic Policy, and the Federal Conference of the SAWPY have proposed a "uniform system" of social planning for the entire country so as to eliminate the cause-and-effect relationship in the method of planning we have had up to now, with its disintegrative processes in society.

iii. All of five republic conferences of the SAWP (Montenegro, Serbia, Slovenia, Bosnia-Hercegovina, and Croatia) and the Vojvodina Provincial Conference of the SAWPY, the Council of the Federation of Yugoslav Trade Unions, and the Federal Legal Council, and Federal Economics Council have insisted that the constitution guarantee social and economically expedient use of social

resources, their constant renewal and augmentation, and conscientious performance of work duties. In other words, they are calling for amendment of Article 15 in the sense of spelling out the constitutional OBLIGATIONS of the workers.

Against Consensus in Associated Labor

iv. That "package" also contains a proposal of the Economic Chamber of Yugoslavia that in the section of the constitution which regulates the pooling of labor and capital there be guarantees of the safety of the investor, that is, that he be guaranteed repayment of his resources in their real value, and there is a demand to make it possible for him to exert influence (as though this would not have been the normal thing!?) on the execution of a project which is being jointly financed.

v. Demands have been expressed for stating more precisely many things related to OOUR's and RO's, to mutual relations and relations between OOUR's and the work organization, and then there has also been insistence on the optimum and efficient functioning of large engineering and technological entities.

vi. One of the demands also has to do with amending Article 100 of the SFRY Constitution, whose provisions in a way brought consensus into associated labor, so it is said, which is contrary to the character of associated labor and to the relations of social ownership. There is a demand to do away with consensus in delegate decisionmaking in the workers' council of the RO, SOUR, etc.

vii. The proposal concerning elaboration of the constitutional concept of the local community runs like this: that the local community be defined as a community of labor, that is, as an integral part of associated labor, which would be the point of departure for more appropriate legal definition in the direction of stronger integration between the local community and organizations of associated labor.

viii. How are chambers of associated labor to be strengthened in opstina assemblies? The tendencies for associated labor and all social activities to be enclosed within opstina borders, thereby making it possible for the opstina to grow and develop as a center of bureaucratic alienation, have to be halted.

ix. Another interesting question is how to enhance the authority of self-management accords and social compacts. While some people propose "sanctions under the constitution," others think that broader powers should be given to the Social Accounting Service, so that the SDK could force participants in accords or compacts to meet their obligations if they are delinquent or do not perform them at all.

How To Achieve Direct and Individual Elections

x. There has also been a demand to alter the manner of election of delegates to assembly chambers--there is a proposal for direct election of delegates and holders of certain public and social offices from the opstina to the

Federation. The proponents are the following: the republic conferences of the SAWP of Serbia, Slovenia, Montenegro, and Croatia, the SFRY Assembly, and the Socialist Youth League of Yugoslavia.

xi. There are many proposals which are for strengthening legality. Thus the SFRY Assembly and the basic organization of the League of Communists of federal bodies and agencies have proposed that in cases when a collision occurs between federal and republic or provincial laws the federal law should prevail until a decision is made by the Constitutional Court. There is a demand for amendments to Article 244 of the constitution to make it possible for federal bodies and agencies to regulate in their own enactments issues and relations on which the republics and provinces have been unable to agree. In general the demand is to establish mechanisms which will guarantee more effective enforcement of federal laws as well as performance of executive and administrative functions and the enforcement of decisions and regulations.

xii. There has been a demand for reassessment of the powers of the Federal Chamber of the SFRY Assembly and also for a change of the electoral procedure in election of delegates to the Federal Chamber: the SFRY Assembly, the Bosnia-Hercegovina Republic Conference of the SAWP, and the committee of basic organizations of the LC in federal bodies and agencies have proposed that election through delegate slates be replaced by individual election. There is also a demand to make the office of delegate incompatible with the holding of other offices and for the proceedings of a delegate's recall to be simplified.

xiii. Certainly there will also be interesting debate on how to reduce or do away with consensus and which questions are to be involved.

xiv. And last, but certainly not least in importance, we have the question that has created the most controversy with the public--for or against the Chamber of Associated Labor in the SFRY Assembly. There has, of course, been no decision, nor any very straightforward proposal. If the previous "general divisions" into reformers and defenders of the constitution have been overcome once and for all, that cannot be said of the divisions relevant at the moment between those who are for or against that chamber of associated labor. The views of individuals and indeed of certain organizations or institutions are still firm and entrenched. However, the actual formulation is still altogether open: there should be an integral examination of the way of guaranteeing greater influence of associated labor in the Federation and especially in the SFRY Assembly.

Incidentally, that is almost exactly what the 13th LCY Congress came out for.

7045
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TREE-CLIMBING HARANGUER SEIZED BY POLICE

Belgrade MLADOST in Serbo-Croatian 14 Jul 86 p 9

[Commentary by M. Petrovic: "The Man in the Tree"]

[Text] Only the following is known:

While Vidoje Zarkovic was reading his speech to the delegates, television cameramen, and history on the first day of the 13th LCY Congress, an elderly unidentified male was addressing passersby from a tree concerning the "4-year revolution and the 40-year counterrevolution," "social differences on such a scale that some people cannot even buy a notebook for a child, while others..."; and everything that goes along with that kind of talk. More than half an hour passed before a group of policemen (obviously untrained for such situations) called upon him to descend in the name of the law and before the firemen arrived. Afterward, the crowd of 3,000 to 5,000 people booed the men in uniform.

And that is all.

Although no newspaper has published this information, the fact is indisputable: the new Yugoslavia has its first demonstrator in a tree.

Maybe future generations will climb on a tree every 25 June instead of going on traditional May Day excursions. Maybe a bronze plaque on Terazije square will read "On this spot the first demonstration against the socialist government occurred" opposite the plaque denoting the location of the first cinema (what a coincidence!). Who knows? This folk, while known for its ungrateful attitude toward its history, is sometimes capable of paying a debt in the right way.

At this moment, however, our attitude could be better described as melancholy. Instead of a square entering history, we move into the next era of political life in a tree. Nor do we know the name of the first Yugoslav demonstrator, or at least we will not know it until he is released from the psychiatric clinic.

Domanovia [classic satirist], where are you?

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